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A NON-PARTY, NON-SECTARIAN, WEEKLY NEWSPAPER EXPOSING THE CAUSES, THE INSTITUTIONS, AND  
THE INDIVIDUALS THAT KEEP US POOR IN THE MIDST OF PLENTY

Vol 4 No 14

MELBOURNE, FRIDAY, APRIL 8, 1938.

Every Friday 3d.

# DEFENCE SWINDLE

## The Church and The World Crisis

Traffic Lights Reduce  
Accidents - and Employment

## New Times SHOPPING GUIDE

### and Business

#### Directory

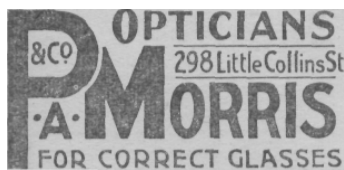
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(Continued on page 3.)

# The Defence Swindle

On the evening following its deliberately misleading article on payment for defence, to which we referred last week, the Melbourne *Herald* called Professor Copland into the lists to champion orthodoxy. This worthy said that defence should be paid for by increased taxation and by further borrowings—and no doubt was well paid for saying so. He asked the States to leave off borrowing at the present juncture, and to leave the "market" free for the Commonwealth. The Professor's idea is that we should do without roads, Yarra boulevards, storage dams and channels (for which the people of the Coliban area will devoutly thank him), and go in for big guns and poison gas. The supply of money would not let us have all of these, because, as every professional economist knows, the supply of money is strictly limited.

If people are prepared to swallow the tripe placed before them by the learned Professor, it is clear that they have never understood how "defence" was financed during the last war, and how "peace" has been financed since. Let us take Great Britain's wartime finance as an example, and have a cursory glance at our own debt figures as well.

## The Great Consumer

War and preparation for war are the great consumers whose necessities are so imperative that they become superior to all questions of legal and financial restriction. That is why bankers, although their system tends inevitably to produce wars, are so afraid of them.

In time of war artificial limitations on industry are brushed aside. Finance has to follow production instead of, as in the normal case, production having to follow finance.

The extension of production to its utmost intrinsic limits, therefore, involves an extension of finance at a rate out of all proportion to that which obtains in the normal course of events.

This extension at once reveals the artificial character of normal finance, and the way it falls down on its job of getting production over to consumers.

## Inadequacy of Income

Immediately production is expanded at anything like its possible rate, the idea that the financial costs of that expansion can, under orthodox rules, be recovered in prices, is seen in its full absurdity.

By far the major portion of the muniments of war (guns, munitions, boots, uniforms, food, etc.) were produced in the war years by private undertakings, and paid for by the Government. The normal method by which a Government obtains the money wherewith to pay for its purchases, is supposed to be by taxation.

A balanced budget means that the proceeds from taxation at least cover the expenditure on public services. When it can be said that the budget is truly balanced, then it will be found that the Government has recovered in prices (by way of taxation) the costs and profits of production of goods and services supplied on Government account. Money taxed from the community covers the price of all goods delivered to the Government, with all costs and profits included. *There could be no increase of debt under such conditions.*

THE NATIONAL DEBT OF BRITAIN ROSE BETWEEN AUGUST 1914 AND DECEMBER 1919 FROM ABOUT £660MILLIONS TO ABOUT £7700MILLIONS.

On the whole this rise represented the expenditure on Government account over that period which it was deemed impracticable to recover in current taxation.

In fact, a financial cost of £8350

millions for goods and services supplied to the public as consumer for war purposes was met to the extent of one-sixth only out of taxation of income.

## A Draft on the Public Credit

The balance of this financial cost was met by a draft on the public credit, but as control of the public credit had been filched by private banking institutions a couple of centuries before, the money was created as a debt due to the bankers.

The methods were somewhat blatant, but everyone was busy fighting the war, and their blatancy escaped attention.

The outbreak of the war saw the whole of the banks, the vaunted custodians of the people's money, publicly bankrupt, unable to pay out to their depositors in legal tender as much even as one-fifth of the amounts owed to depositors. Bank doors were closed. The Government stepped in, suspended the obligation to pay gold, and authorised the printing of currency notes. It did not take over this essential function of sovereignty itself, as it well could have.

The banks apparently had everything cut and dried beforehand. In spite of Britain's alleged unpreparedness for the war, the necessary note-printing machinery had been installed at Messrs. Waterlows long before hostilities commenced. This fact was admitted by Lady Waterlow in her memoirs after the war.

After the requisite notes had been printed by the Bank of England, the banks proceeded to create credit to the extent of many times the face value of the notes, and to lend this financial credit back to the nation at interest and as a debt due to the banks.

## How the Swindle Was Worked

One important way of hanging a millstone of debt round the nation's head was through what are known as Ways and Means Accounts.

The Bank of England would advance, say, £10 millions to the credit of the Government, which simply meant the writing of a figure in its ledger, writing up Government account by such sum. Governmental Departments then paid this sum out to contractors in payment for goods and services, and when the cheques were cleared, the money passed to the credit of the contractors at their trading bank accounts. The credit balances of the trading banks at the Bank of England were thus increased. Trading banks regarded such balances as cash at call, in accord with their normal practice, and proceeded to purchase war loan stock and to allow their customers overdrafts to the extent of, say, forty millions. Their customers also purchased war loan stock to a considerable extent, and the upshot was an increase in Governmental Debt many times greater than the original Ways and Means overdraft.

## Sanctity of Bank-Creation of Money

The first point to notice about this elaborate fraud is that its result is exactly the same as if the Government itself had provided the extra millions in currency notes, with the important exception that the public pays interest on bank debt money, instead of merely paying the cost of printing the currency notes.

The effect on prices is the same in either case.

The next point to notice is that if banks are to be the sole creators of financial credit, the first loan can only be paid off by incurring a new loan with fresh interest

charges. The nation goes further and further into pawn.

A consideration of these facts will make it easy to understand the implacable opposition of bankers, financiers, and their puppet economists and politicians to Government paper money, and their insistence on the importance of what they term redemption.

In paying for the defence of the realm in the years 1914-1919, British citizens were soaked in taxation as much as they could conveniently be soaked and that was about one-sixth of the financial price of defence. The remaining five sixths of the price was met by a credit grant.

*The repayment of that credit grant is only justifiable on the assumption that banks own the public credit.*

The people, of course, paid physically for the war in blood, energy and material expended, as the war was fought. Finance did not reflect this fact.

## One Source of Leakage

The fact that only one-sixth of the cost of the great and glorious war to end war was paid for out of income does not indicate that industry, in producing the muniments of war, did not at some stage in the course of production pay out sufficient income to the community to meet the cost. It did pay out the money, but most of it got sidetracked from the pockets of the recipients, and was ploughed back into further production without having performed the essential function of discharging the costs attendant on its first issue. Every inducement was offered to bank depositors to convert their deposits into Government stocks of various descriptions. The banks even made loans up to 80 per cent, of face value to induce depositors to go in heavily for funded securities. For these new overdrafts, the banks held the stock as security.

## The Great Squeeze

In 1919 the banks began to call in loans. In spite of the huge increase of funded debt, bank deposits were only £1,100,000 higher than at the beginning of the war. The country's total money supply was far smaller than the country's total debt. As a consequence of this shortage, of the partial extinction of existing credits, and of the slowing down of the granting of new loans, Government stocks of all descriptions were thrown upon the market to meet the bankers' demands. Values tumbled until private owners' equities in their stock disappeared, and the stock fell into the hands of the banks. By about 1922 ninety per cent, of the holdings of Government War Securities were under the ownership or complete lien of the banks and financial houses.

Some of the stock has since been unloaded on to the public at enhanced prices, but the policy is to let the common people hold only enough of the public debt to ensure protection of the loan as a whole.

Every little Henry Dubb who owns £100 or so of Government stock becomes mighty conservative in outlook, and easily stampeded to the support of orthodoxy.

## The Beauty of Sound Finance

The net upshot is that British citizens pay £300 millions or thereabouts, annual tribute on an immobilised loan, of which they have not the use as money; but which they are supposed to repay in the form of sinking fund. Such sinking fund must either be collected out of money distributed in respect of future production, the public being thus prevented from purchasing that future production, or by the creation of a fresh debt

in an open or disguised form.

Between 1914 and 1919 Australia's public debt increased from £339 millions to £705 millions.

It has doubled again in the years of "peace" which have intervened. If we are to prepare for another "war to end war", the debt will, under sound financial rules, expand more rapidly.

This is the scandalous ramp supported by the Melbourne *Herald*, Professor Copland, and others of so-called "sound" views.

There is only one really sound principle of finance—namely, that if money is filched or side-tracked from consumers' pockets by premature cancellation or investment in further production, instead of being used to meet industry's costs, that money must be returned to consumers, debt-free, and as of right. It may be returned to them in some form of income payment to all citizens, it may be returned to them in the form of a discounting of the prices they have to pay, it may be returned in other ways. But if it is taken from them, it must be given back to them. Otherwise debt is inevitable. The very cause of war is to be found in this filching and short-circuiting of consumers' incomes.

Under present rules the bankers drive us into war, and during the fight they hold the coats of the combatants and go through the pockets.

Debt and war can be abolished at one stroke.

Make your servant in Parliament really tackle this problem of debt, and we will hear no more of war scares.

## END PARTY TRICKERY

Party politics is not democracy. It is the modern equivalent of the old technique of frustration, "Divide and Rule," always operated by the hidden hand of tyranny.

The trick of creating conflict in order to frustrate the aims of democracy is known. It is to elevate "means and ends," to confuse, designedly, "methods" of doing a "thing" itself, so that while quarrelling about the "methods" or the "means" the RESULT desired is obscured and thereby betrayed.

Democracy has not much thru to justify itself—if party politics are adhered to by electors much longer the hard-won privileges of Democracy will be taken away altogether. Already great strides have been made in restricting the liberties of the people.

There is only one-way Democracy can justify itself—can survive—and that is to make it a success.

The people have never yet exercised their prerogative as free democrats—never yet have they made their own agenda. Always they have voted on agendas artfully prepared by cliques of politicians.

These agendas are all different in the METHODS they advocate, but they are all alike in omitting the RESULT the people WANT, and which they should properly vote about.

Voting for or against political party agendas is not Democracy.

The people must make their own agenda, putting on it no "methods" but only the RESULTS they want first. Then they must give their parliamentary representatives instructions accordingly.

Electors should organise into voters' associations instead of blind followers of political groups with their "canned" policies.

Editorial, *The Home News*, Halifax, Nova Scotia.

STANDS ENGLAND AS YOU WERE? ARMING THE GOOD NEIGHBOURS

By YAFFLE, in "Reynolds News."

From the "West Australian Wheatgrower."

Friends, Britons, countrymen, lend me—

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

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

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

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

England is, in fact, moving Westwards.

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

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

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

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

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

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

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

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

"Porter," said one passenger to a steward, during a bad storm, "I

distinctly felt my chair move. Is anyone underneath it?"

"No, sir."  
"Then, what's the matter with this hotel? Anyone would think it was a ship."

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

Again, a floating Britain would go far to solve the problem of home defence, for an invader would never be sure where we were. We should hear them on the wireless asking each other, "Have you seen Britain?" and laugh like anything.

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

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

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

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

"I'M AMAZED"

The most paradoxical thing of the lot,

Is the way that the nations behave. It appears from the speeches of prominent men

That peace is the thing they all crave.

Yet the factories are working all day and all night,

And the atmospheres getting more tense.

They're turning out tons of munitions and guns,

And they say that it's just for defence.

But to round off the joke they say they're all broke,

Yet for armaments millions they've raised.

If it's just to take part in a war that won't start,

I'm more than surprised, I'm amazed.

—George Robey, in the *Daily Herald*.

At the end of the World War the Allied Governments were surfeited with huge stores of leftover war materials—and huge debts to South American countries for wheat, beef and nitrate. The solution was obvious: military missions were sent to promote larger military establishments in the young Republics; the Allied debts were settled with shipments of trench mortars, bombs, and guns; and a tremendous campaign of international trouble-making was started.

Seizing upon the bitter Tacna-Arica boundary controversy between Peru and Chile, the arms traders drummed up a war scare that threatened to involve most of South America. When an English naval mission sold Chile the battleship *Canada*, four light destroyers and six submarines, it was time for Peru to go into the market. An American naval mission went south to reorganise Peru's navy and American shipbuilders sold Peru destroyers and submarines.

The race was on. Argentina, out-distanced by her neighbour, Chile, enlarged her navy, and Brazil, Argentina's rival, increased her armament expense to 35 per cent, of her total revenues. There was a scramble to buy submarines; England, France, Italy and the United States getting most of the golden harvest. European and American air missions descended upon the Southern continent. Preceded by a good publicity campaign, they would sell their cargo of 'planes, the feted air heroes getting jobs as instructors. Italy stationed De Pinedo as air attaché in Argentina, and then sent General Balbo to Brazil, in a spectacular flight with twenty-one 'planes, which he sold to the Brazilian Government.

The part played by the United States during this South American armament boom was disclosed at the Nye Committee hearings in the Senate. American arms makers "greased" their way through high official quarters. They placed spies in Government offices to watch their competitors' moves; they outfitted revolutionists as well as the Government they were revolting against.

This vast piling up of armaments culminated in a wave of strife, including the Chaco War and the Brazilian civil war of 1932—strife in which more than 150,000 Latin Americans were killed.

During the depression the arms trade slackened, but it is again in full flower. It is easier for the European nations that are producing munitions on a tremendous scale to pay for South American raw materials and foodstuffs with arms than with other manufactures. And, because of the rapid obsolescence of warships in the world's naval race, some nations are offer-

ing exceptional naval bargains to South American countries.

The most active competitors now the Italy, Germany, Great Britain, Japan, Czechoslovakia and the United States. The arms makers are using their time-tested methods: buying influence in high places, stirring up disputes and rivalries, agitating for armaments through powerful newspapers. In addition to purely commercial considerations, Italy, Germany and Japan are striving to secure a strategic foothold in the war establishments of the Southern countries.

Early in 1937, right after the Buenos Aires Peace Conference, Argentina, in a superb show of strength that proclaimed her dream of hegemony in the continent, sent a squadron of warships on a visit to Peru. While this fleet was steaming past the Chilean coast, the Chilean Congress voted 100,000,000 pesos for bombing 'planes.

Brazil hastened to carry out a vast naval programme, for the rivalry between Argentina and Brazil is intense. Each answers in the first person to the infantile question: "Which is the greatest country in South America?" And each, in turn, influences its train of satellite Republics. Uruguay, Paraguay, Bolivia and Peru line up with Argentina; Ecuador and Colombia, having boundary disputes with Peru, lean towards the Brazil-Chile partnership.

The international provocateurs have also succeeded in reviving the long-dormant Chilean-Argentine rivalry. Fiery articles in the Chilean press attribute to Argentina greedy designs upon Chilean territory; Argentine and Peruvian spies are reported to have been caught recently gathering information about Chilean warships and coast defences.

With the wheels thus spinning, there are boundless possibilities for the selling of munitions—and for a new period of revolutions and wars.

Last September the two million dollar destroyer, *Misiones*, slid down the ways at Birkenhead, England, the seventh Argentine warship to be launched in Britain in 1937. Argentina is also building ten mine layers and buying war 'planes in several countries, including a recent order of 35 bombers in the United States.

Meanwhile, Chile has strengthened her army and initiated an armament programme that includes purchase of destroyers, two 13,000,000-dollar cruisers, and German and Italian bombers.

Likewise, Peru and Ecuador have been buying military aircraft in Europe.

While Argentina has favoured British naval constructors, Brazil has called on the United States for assistance in carrying out her naval programme, which provides for the construction of two large cruisers, nine destroyers, five submarines and six mine sweepers.

In the press campaigns that are stimulating the arms race in South America there has not been a single word about the danger of extra-continental invasion. Only local rivalries, foreign-made, have been played up.

All this is what the Buenos Aires Conference "for the Maintenance of Peace" was supposed to end with a set of treaties.

Human progress is further defeated by man's ignorance of his own interests. Those who most strenuously oppose measures of reform are usually the ones who would be most benefited by their adoption. —Dr. Lester F. Ward.

New Times SHOPPING GUIDE and Business Directory

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MELBOURNE (Cont.)

(Continued from page 2.)

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(Continued on page 7.)

Sir John Gelibrand, Melbourne.  
Dear Sir John,  
We desire to compliment you upon your decision to lead the march on Anzac Day this year. Your emerging from your retirement for this purpose is a compliment to the gallant men whom you once led, and will lead again. In the circumstances it is a gesture, which honours both yourself and them.  
We have heard far too much of sectarian differences in this country. The facts are very plain and simple. Our Catholic citizens, who fought side by side with non-Catholic soldiers, have found themselves bound by conscience to abstain from any partaking in a religion's ceremony at the Shrine of Remembrance. For the same reason our Jewish soldiers have been compelled to abstain from similar functions. The difficult position thus created has been observed by the Diggers, and a form of service has been adopted that will allow participation by all former soldiers, irrespective of creed. We can well understand that this simple solution of the problem would not be acceptable to some persons.  
Some of your brother officers have thought fit to refuse to head the Anzac march for the reason that

conscience or religious principle would not permit. We have no doubt that the gentlemen in question were sincere in their attitude that the sectarian service should still continue at the Shrine.  
We believe that you have risen superior to that narrow view, and that you are prepared to support our returned soldiers in the stand they have taken, and that you, in conjunction with our soldiers, are of the opinion that narrow sectarian prejudices should be forgotten. We are quite with you in this respect; and we believe, as we have no doubt you believe, that the valour, which stormed Gallipoli, might yet walk with giant strides in the path of a greater glory. We refer, of course, Sir John, to the campaign at present on foot for the abolition of poverty in the midst of plenty.  
Would it be too much to ask of you, that you should direct your mind to this problem? The evidence is before your eyes; and many of the sturdy men who will march behind you on Anzac Day are both witnesses and victims of this unfortunate condition of affairs.  
Now Sir John, you have been our leader in battle and in peace. Do we ask too much of you when we request you to be the leader, not only of the Anzacs, but also of the public and of  
THE NEW TIMES?

## THE NEW TIMES

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## Our Modern Puritans

There is evident in the world's bankers, large and small, a distinct strain of Puritanism. They are firmly of the belief that people (i.e., other people) do not know what they want, or what is good for them.

They are prepared to admit that they themselves can be trusted with wealth and leisure, but not other people, who would immediately go to the dogs if they had a few pennies to jingle in their pockets and a few moments of leisure. It is alleged that poverty and sacrifice (for other people) have ennobling qualities; in short, that virtue can flourish only in the gutter.

The tendency of bankers to interfere with the lives of citizens is not confined to an attempt on general lines to restrict incomes and leisure hours. It goes further; particularly in respect of the bankers' own employees. Let us consider the wording and import of sundry bank regulations adduced by Mr. Ogilvie, K.C., in support of the bank officials' application to the Arbitration Court for better wages and conditions. Mr. Ogilvie really put these regulations in as evidence to show that the character, qualifications and conduct of bank officers had to be so high that they were deserving of a high wage.

The education and social position of youths are considered before they are employed in banks. The friends of an applicant for bank employment must be willing to supplement his income during the early period of his employment, and sureties must be found to cover any defalcation by him.

Officers are forbidden to marry until they have a salary of £260 per year. Normally, no officer receives this sum till he is 26 years of age. Love has to be a financial phenomenon like every other aspect of life! It is a strange commentary on the banks' views that if those views were enforced rigidly in the community there should be less than four hundred thousand married men throughout the length and breadth of Australia. The last census showed that only this small number of citizens had incomes of £5 per week or over. We expect that the banks will one day approach the Almighty and request Him to reconsider His serious blunder in endowing the poor with ordinary human instincts and a desire to marry and perpetuate their kind.

**THE PRINTED WORD**  
in  
**Pamphlets, Booklets, Leaflets, Weeklies, Monthlies, Annuals, Newspapers, Magazines, or Books**  
**EXCELLENTLY AND ECONOMICALLY PRODUCED**  
By  
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**MELBOURNE**

Bank officials are, by another regulation, requested to refrain from attending breezy entertainments.

But the masterpiece of the regulations is as follows: "Where any officer is of the opinion that the conduct of another officer is of an irregular character, or for any reason is such as to endanger the bank's position, he is to report particulars to the proper authorities. . . Officers must not be deterred from doing their duty in this connection by reason of personal friendship or the seniority of the officer to be reported on, or from a mistaken sense of loyalty to a fellow-officer. Their duty is clear and well-defined, and loyalty lies not in the direction of a fellow-officer, but to the institution, which you are expected to respect."

Have our bank directors no sense of shame, to set one officer spying on another?

The situation is monstrous, but it is necessary to recognise that there are wider issues involved than regimentation of bank employees.

There is a general regimentation of the community and a general "snooping" into the private affairs of citizens. Taxation returns and the cheque system itself can be used as a spy system. That is why many Continental people pay cash. Their business and dealings cannot then be traced.

It is the power of economic compulsion alone that allows bankers to behave as they do. One has to work on *their* terms, or starve. The power of the banks can be broken by paying an income to every citizen sufficient to allow him access to the necessities of life without having to engage in employment. On this basis it would be possible to build a social order founded on reasoned co-operation and not on sullen compulsion.

At present there is compulsion, there is a wholesale glorification of the institution over the individual, and there is a disinclination on the part of a few power-crazed gentlemen to allow the common man to stand on his own feet and be self-respecting and self-reliant. The major part of humanity is denied the fundamental liberty of going to Hell or to Heaven in its own way.

## Traffic Lights Reduce Accidents—and Employment

The New York Police Department states that the installation of signal traffic lights at street intersections in New York has resulted in an annual reduction of almost 5000 traffic accidents.

It is noticeable in Australian cities that traffic lights make traffic safer at intersections, but the installation of lights has been severely hampered for the usual banal reason—want of money.

If our manufacturers and mechanics were given a free hand, every important intersection could quickly be equipped with control lights.

Another factor of importance brought to light by the report of the New York Police Department is that 8000 traffic lights in New York cost only £3000 a year for labour at the control room for their operation. Twenty-seven years ago the labour cost for fifty lights was £50,000 per annum.

But no reputable professional economist would be prepared to draw from this fact the conclusion that modern labour saving devices really do render it unnecessary for man to spend the whole of his waking hours in industrial employment.

## INTERESTING VIEWS ON MONEY

From "Modern Money," Johannesburg, South Africa

## Edison—

In an interview by the *New York*, on his trip to inspect Muscle Shoals. Discussing the financing of the project, he said:—

"Once the currency method is tried in raising money . . . the country will never go back to the bond method.

"Don't allow them to confuse you with the cry of 'paper money.' The danger of paper money is precisely the danger of gold—if you get too much it is no good. They say we have all the gold of the world now. Well, what good does it do us? When America gets all the chips in a game, the game stops. We would be better off if we had less gold. Indeed, we are trying to get rid of our gold to start something going. But the trade machine is at present jammed. Too much paper money operates the same way. There is just one rule for money, and that is to have enough to carry all the legitimate trade that is waiting to move. Too little of too much are both bad. But enough to move trade, enough to prevent stagnation on the one hand, and not enough to permit speculation on the other hand, is the proper ration."

## Ford—

"Money has become a business in itself instead of an adjunct to business. Money is not wealth; wealth is what money buys. But that has been turned upside down. The present system has got us twisted into producing things to buy dollars with, when what we need is a money system that will produce dollars to buy goods with. Under the present system the tail wags the dog. Money is just part of society's transportation system for moving goods from man to man; it breaks down so often it is time our financial engineers developed a better model."

The present money system, Mr. Ford said, is entirely out of date, and is, in large measure, responsible for recurring business recessions. "It is a system that seeks to control labour, wants to control government, finance, food, industry and even the schools. It manifests an avariciousness that would control everything."

## Baldwin—

(Honest Stan, of Windsor Fame.) "After all, national accounts are only your household accounts writ large. The same principles that apply to national finance—namely, the principle of living within your income and paying your debts."

We are willing to guess that the lights themselves are now manufactured by mechanised processes, and accordingly provide for little distribution of income to citizens through the avenue of employment.

The same considerations apply to the "rippers," "bulldozers," and other mechanical monsters invented for road construction and all manner of excavation work.

It was somewhere about 1786 that Watt watched his kettle boil, and initiated the age of power production. At the same time, and in the same city, Adam Smith tabulated the principles in accord with which man had, *up till then*, governed his economic behaviour. Smith's laws were appropriate to an era of hand-production. Watt's discoveries put an end to that era, but we still try to struggle along with the old economic "laws."

The power-age demands that the wages of the machine should be paid out to the people so that the products of the machine can pass into consumption. The true function of money is to distribute production.

People are entitled to paid leisure and should insist on their rights.

[I will tell you what domestic finance would be like if it were run on the same principles as national finance under Baldwin's Government. First of all, you would obtain the fattest overdraft (loan) possible and squander it on things of no value, such as cartridges for your children's guns. When the banker asked for repayment you would offer him a chance to refund the loan at half the interest. He would decline on principle, but would help foist the loan on the public. When your income went down you would plough in the potatoes in your garden and tell your next door neighbour that your reason for doing so was that growing them didn't provide enough work. When Cousin Tom lost his job you would incinerate the pig. If you hadn't milk enough for your youngsters you would pour what you had down the drain. When your family, on advice from the neighbours, sent for two doctors and a magistrate, you would chuckle inwardly at the mare's nest they would find when you quoted your authority, and proved that you had gone by national example, not mere precept. —*New English Weekly.*]

## Vickers—

Mr. Vincent Vickers, late director of the Bank of England, said: "As things stand today, money and the issue of credit is not controlled by the State, but by interested parties creating no real wealth, working to make money out of money—most of which is not theirs at all. What we want is not 'Nationalisation of Banks' (this would be quite useless and, possibly, fatal), but 'State control and State-issue of Credit,' so that the money supply may be regulated solely for the benefit of the country as a whole by a disinterested authority, and not with the primary consideration given to the Money Business of Financiers and Bankers."

[Mr. Vickers is no longer at the bank. —Ed.]

## Lincoln—

President Abraham Lincoln, who had the courage to stand up against the money power and issue Government money to help finance the Civil War, knew money economics or the new economics. The quotation below is historic; it might well be called the beginning of the new economics:—

"Look forward, not back. Quit worrying about what's behind money. See what's in front of money—goods and services to be produced."

"The Government should create, issue, and circulate all the currency and credit needed to satisfy the spending power of the Government, and the buying power of consumers. The privilege of creating and issuing money is not only the supreme prerogative of government, but it is the Government's greatest creative opportunity.

"By the adoption of these principles, the long-felt want for a uniform medium will be satisfied. The taxpayers will be saved immense sums in interest, discounts, and exchanges. The financing of all public enterprise, the maintenance of stable government and ordered progress, and the conduct of the Treasury will become matters of practical administration. The people can, and will, be furnished with a currency as safe as their own government. Money will cease to be the master and become the servant of humanity. Democracy will rise superior to the money power."

[No wonder Lincoln got shot. —Ed.]

## Sir Josiah Stamp—

"While, a few years ago, no one would have believed it possible that a scale of taxation, such as at present existing, could be imposed upon the British public without revolution, I have every hope that, with skilful education and propaganda, this scale can be very considerably raised."

## ROYAL EDWARD

I remember his coming back from one of his visits to the unemployed. I think it was in the North of England. He looked tired and depressed.

"I can't get those poor fellows out of my mind," he said. "It's terrible to see the despair in their eyes. I can imagine what I would feel in their place. So many of them have been through the war. What have they come back to? How can one tell them to go on hoping?"

He worried over them. It was not only a prince concerning himself for the people whom he would one day rule, but a man who had faced realities trying to find a solution to a problem he felt as keenly as though it were one of his own.

No man has ever enjoyed the prospect of reigning less than he; no king has ever hated pomp and circumstance more. He has been called a democrat; he was more than that. The principles of Socialism were his; not the Socialism founded on envy, but in its highest sense, built on love of humanity and understanding. Class distinctions simply do not exist for him. He has an almost devastating sincerity. His tragedy was, I think, that he was born a century too soon.

(Memoirs of H.R.H. Prince Christopher of Greece published by Hurst and Blackett, 12/6.)

## RALLYING POINT FOR ALL REFORMERS

Paragraph 487 of "The Report" of the Royal Commission on Monetary and Banking Systems at present in operation in Australia, is the open door for reconstruction of the whole economic structure. It reads: "For the same reason ('we think they are outside the scope of our reference') we have not found it necessary to report upon other proposals in which the suggested alterations in the monetary system depend upon, or are merely incidental to, other suggestions for the reconstruction of the whole economic structure. The proposals to which we refer are those made by Mr. A. V. Greenwood and the Equation League of Australia, and by Mr. L. G. DeGaris."

Clearly, whatever remedies are proposed, this paragraph points the way to another Commission of enquiry into the new theory of money.

—Advt.

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## DICK SHEPPARD'S CANDID LETTER TO THE "MEN WHO MATTER"

Although it does not deal with the economic causes of war, nor with the fact that the economic warfare we call peace treats the majority of citizens as unkindly as military warfare does, we commend this open letter by the late Canon "Dick" Sheppard to our readers.

Gentlemen,—

You mean well. You are honourable men. To the best of your ability you are doing your duty to your country and to Humanity.

But because of you a shadow has fallen across the sky, and the world has lost its way in a sombre twilight of suspicion and hatred. Because of you mothers are afraid for their children, because of you civilisation is in danger.

You do not will war. You do not want this doom to come upon the nations. You are trying to avoid it. But everything you do brings it nearer. You speak of peace—and I believe that you mean what you say. But your words are drowned by the tramp of your armies and the roar of your aeroplanes. The air is filled with the smoke of your armament factories. Because you won't trust the other man. Because you won't believe he wants peace as much as you do. Because you cannot suggest any way of preserving peace other than by multiplying the instruments of war. What would you think of a man who walked about the streets with a loaded revolver in each of his pockets, and said he was doing it because he preferred a quiet life?

Suppose there were a lot of men like that. They might all be quite honest in wanting to go about their business peacefully—but they'd all be scared in case somebody else started shooting. And presently, when one of them put his hand in his pocket to get his pipe or his cigarettes, his neighbour would think he was reaching for his gun. That would be enough. The coroner's court would have to work overtime to get through the inquests.

Sane men don't behave like that? No, but nations do. They're doing it now. And you, who rule over these nations, are responsible.

I know that you are trying to build up a system of pacts and sanctions that will prevent war. But what you call collective security isn't going to do that. It is simply a device for ensuring that, if war comes, everybody will be in it.

You can't grow figs on thistles. You can't get peace by agreeing to go to war.

No doubt you can advance all sorts of arguments to prove that I am being unreasonable and unfair. But I am a Christian, and I take my religion seriously.

I believe that when God said "Thou shalt not kill," He meant to prohibit the killing of millions

in cold blood, which we call war, as well as the crime of murder.

There is, indeed, no difference between war and murder apart from the fact that the one is on an immeasurably larger scale than the other, and claims an infinitely greater number of victims.

That is true of all wars. And the only way to stop them is to say quite definitely that in no circumstances and upon no pretext will we allow ourselves to be dragged into war.

But that, gentlemen, is precisely what you won't say. You can't say it, because at heart you believe in force. That is why, even when you make efforts to establish permanent peace, you can't think of any means of realising your aim, apart from the threat of force.

I believe that you are wrong. I believe that, however good may be the intentions with which you build battleships or aeroplanes, or train soldiers, or manufacture munitions of war, they are only so many paving-stones for hell, the hell of the next war.

So I have lost faith in Governments. But I still have faith in the people over whom they rule. I have faith in the decent, kindly folk who go out every morning to do a useful job of work and come home every evening to their own firesides. I have faith in the women who make these homes havens of happiness and rest in an unquiet world. I have faith in the mothers, for they are the givers and the guardians of life. I have faith in youth, because its clear eyes pierce the shams and hypocrisies with which their elders too easily deceive themselves.

There, gentlemen, I see the hope of the world today—the best, the only security for peace that we can have. These people are not interested in your manoeuvres for position. But they are interested in peace. It is they, or their husbands or sons, who would be asked to fight if war came again. It is on their homes that desolation would rain from the skies. It is they who would go hungry—whose children would cry for food—as blockade tightened its grip upon the belligerent Powers, and famine stalked naked through the city streets. They do not want to fight. They do not want to starve. They do not want to be made targets for bombers.

And they realise now, as never before, that the common people of every other country are very like themselves, just as decent and likeable as themselves. And they are asking, gentlemen, why should they kill each other because you fall out?

They ask for peace, and you offer them a pact. But they themselves hold the keys of peace—if they say there shall be no more war, this crime against God and humanity shall forever be impossible.

Today they are beginning to realise that. The women, I think, saw it first, because their vision was sharpened by the love they bore their sons. But the men are awakening, also. Very many thousands of them have signed the Peace Pledge: "I renounce war, and I will never support or sanction another."

What do you think this means, gentlemen? It means that a new spirit is abroad in the world among the common people of the world. They are no longer

content to trust to Governments to save them from war—they are determined to save themselves. They know that, if they refuse to go to war, the reign of universal peace will dawn at last.

You say you might take this seriously if millions, instead of thousands, were signing the pledge, and if there were similar movements in other countries. Have you ever thrown a stone into a pool? Don't you remember how the ripples widen out? It is the same with ideas. They effect only a few people—or relatively few people—at first. But they spread. And if the idea is big enough, it will go to the uttermost ends of the earth. There is this difference, however. The consequences of the *creative* ideas are permanent.

Believe me gentlemen, there is a growing impatience with policies that lead to war, no matter how plausibly they may be presented. You yourselves or some of you—have told us that patriotism is not enough that we must think internationally. But the internationalism of the League of Nations and Collective Security is only a larger patriotism. It is the tribal spirit magnified—but unchanged in essence. I believe that we have outgrown the tribe—that the peoples of the earth are ready for larger, loftier ideas than tribalism can offer.

For close on two thousand years we have been vowing allegiance to Christ and trying to escape from the practical consequences of His teaching. We have been shutting Him up in churches and behaving in daily life and politics and international relations as if He didn't exist.

The time has come, when we must let Him out of the churches. Another war might well mean that the end of Christian civilisation on this earth and of all that civilisation has achieved. And it seems to me that the only hope of avoiding war is to accept Christianity as a way of life, not only in our private affairs, but in all public and international contacts.

In other words, the nations must stop thinking about selfish interests and about prestige, must put suspicion and fear and hatred behind them, and see what confidence and friendliness and goodwill can achieve. I know you are going to reply that this is impractical—that human nature being as it is, war is always a possibility, and it is your duty to guard against it.

I tell you, gentlemen, that human nature is better than you think. It is not the peoples over whom you rule that stand in the way of peace—it is yourselves and your fear. You are still living in the darkness of the past and in the terror of darkness; they are stretching out eager hands towards the light of the future.

Is not this new temper of theirs your opportunity? You have it in your power today, if you will renounce war, and do it in earnest and without reservations, to usher in a new era. You have it in your power to write "Finis" to the old jealousies and the ancient quarrels. You have it in your power to turn the world's steps into the paths of peace, paths that will lead humanity to a new richness and fullness of life.

Gentlemen, you may win, if you will, a fame greater than any conqueror has achieved, and what is still more worthy of ambition, the blessings of generations yet unborn. But even if you fail to rise to the height of this great opportunity, I do not despair. There can be no war if the people will peace. And there is a wind of God blowing through the minds of men today that, I believe, will prove fatal to war.

And so, gentlemen, I sign myself, in so far as my conscience permits,

Your Obedient Servant,  
DICK SHEPPARD.

## "A NATION TRAPPED"

"Tell me yourself, I challenge you, answer! Imagine that you are creating a fabric of human destiny with the object of making men happy in the end, giving them peace and rest at last, but that it was essential and inevitable to torture to death only one tiny creature—that baby beating its breast with its fist, for instance—and to found that edifice on its unavenged tears, would you consent to be the architect on those conditions? Tell me, and tell me the truth. 'No, I would not consent,' said Aloysha, softly."

"The original ideals of the Russian revolution are in the stream of human thought; not a million Stalins and GPU's can change that. . . . What happened in Russia twenty years ago will remain a frontier in time, token of the deepening twilight of the capitalist era."

"The logic of Russia's struggle for survival as a State, coupled with absolutist Government, has landed it in the camp of desperate and militant conservatism."

"Leftist Fascism—looking to an absolute State that planned and controlled all economy—was a large element in putting both Mussolini and Hitler in power; . . . The Fascist approach to human problems, the moral putrescence that stripped the Socialist hope of its ethical and progressive associations, must be fought under whatever labels they are paraded. A Marxist label made the poison more deadly."

"I, too, was infected by the disease. I was ready to liquidate classes, purge millions, sacrifice freedoms and elementary decencies, arm self-appointed dictators with a flaming sword—all for the cause. It was a species of revenge rationalised as social engineering. Then I saw these things in full swing and discovered that the revenge was wreaked on the very masses who were to be saved by that cause. I found that the means are more real than the professed end; that they harden into a system of power and privilege, which must postpone the end in order to maintain itself. Having seen the putrescence where the disguise was most convincing, I have found the courage to declare that I am a humanitarian, that I respect the truth and that I abhor the vivisection of human beings for their own good."

"In the knowledge of the Russian experiment I am able once more to affirm without shame the value of such things as justice, humaneness, truth, liberty, intellectual integrity, and human dignity. From the Russian mistakes I have drawn the strength to assert that without these things social systems can only be variations of the old injustice. I have seen that movements for economic change are worthless, even dangerous, as soon as they throw off respect for life, for liberty, for justice."

"A nation trapped, trapped physically, with blood hounds and machine guns and death sentences guarding the frontiers to prevent people from escaping, with a passport system to prevent them from moving freely inside the frontiers, with endless ukases and threats to regulate their existence. Trapped intellectually, with every thought prescribed and mental curiosity punished as heresy; the new literacy seemed an additional taunt, sharpening the appetite while denying it sustenance. Trapped spiritually through the need of pretending enthusiasm for the knout,

genueflecting to hateful images and practising hypocrisy as the first law of survival. In the past the word freedom had been whispered in secret caves, but now punishment was too swift and too deadly. There was no longer even the solace of martyrdom for the defiant; a technique had been evolved for breaking their spirit and dragging them into the limelight for slobbering confessions of guilt."

"The last pretence that the workers owned the State was dropped - - the State frankly owned the workers."

"People under dictatorships, it has been well said, are condemned to a lifetime of enthusiasm. It is a wearing sentence. Gladly would they burrow into the heart of their misery and lick their wounds in private. But they dare not; sulking is next door to treason."

"There is something monstrous in a dialectic materialism which exploits in order to end exploitation, which flouts elementary human values in the name of humanity, which fortifies new classes to achieve a classless society; which, in brief, presumes to be as heartless as history, instead of opposing its dreams and its hopes to history's heartlessness."

"Liquidation of the kulaks as a class" for sixty-five days in 1929. "For sheer volume of piled up cruelties there are few comparable spans of time in all human history. The ruthless crushing of more than a million better-to-do or less tractable families."

"The only certainty is that the Kremlin stands neck-deep in blood . . . The cumulative and gigantic sacrifice may be justified ultimately, when history's record is clearer, chiefly as an object lesson how not to make revolution."

—From "Brothers Karamazov," by Dostoevsky.

## SONG OF SIXPENCE

A lot of use the papers are  
That advertise the motor car,  
That sing of beer and wine and  
whiskey  
In gallons, point out all the nifty  
Little gadgets we can buy  
To keep our zest for living high;  
The wines and the expensive  
cheeses,  
The ways to cure the new  
diseases,  
The shirts, cigars, the shoes and  
gaiters,  
The snappy new refrigerators.  
A sorry boon are all the glinting  
Ads with their three-colour print-  
ing,  
When in our pocket doth recline  
A slim and solitary dime  
For which these luxuries  
contend,  
And which eventually we'll spend  
For coffee, as we spent his brother,  
And wonder where we'll get an-  
other.

—Social Credit.

## NOVA SCOTIA, 1938

Jan. 7, 1938. Nova Scotia.  
A medical man was taken by aeroplane from Sydney to Dingwall, a fishing hamlet on the northern tip of Cape Breton Island. To his horror he found that 2000 people in the village and surrounding district were suffering from starvation.

Besides the serious consequences of malnutrition, they were suffering from lack of proper clothing against the wintry weather. Children of 14 and 15 had not yet developed their second teeth, and many showed signs of tuberculosis.

He fears that unless steps are taken immediately the death roll will be heavy.

Daily Telegraph, January 7.

## "WHAT I THINK OF THE CHURCHES TODAY"

The above article by Mr. W. Macmahon Ball, which appeared in the "New Times" of September 17, has elicited so much comment and brought so many requests for a reprint, that it has been reprinted by the "New Times" as an eight-page brochure. Copies may be ordered from

NEW TIMES LTD.,  
Box 1226, G.P.O.,  
Melbourne.

## "COSTS" OF DEFENCE NO NECESSITY FOR TAXATION

Mr. E. J. Holloway, M.H.R., on the  
Right Track

A Letter to the Editor from BRUCE H BROWN

Sir,

Armaments and the methods proposed for financing them have become important topics of public discussion. We are in the position that no matter what natural resources we may have, and no matter how capable our people may be, we are not permitted to make use of them unless we can arrange the *FINANCE*. The defence of the country, like the development of the country, is determined not by what we *could* do, but by what we *may* do. Our actual and potential wealth takes second place to finance. This makes it more imperative than ever that every one of us should get an understanding of what finance is and how it is operated.

### The Real Purpose

Actually there is no danger of Australia being attacked, but if another country did have serious designs on us our population of seven millions and the expenditure of a few million pounds on "defence" would not deter them, notwithstanding the supposed strength of the Singapore Naval Base. The point, however, is that there will be no attack on us, and the prevention of attack is not the real purpose of the war scare. The real purpose is to put us in the frame of mind to accept higher taxation for the benefit of the banks and their subsidiaries. Mr. Thorby, the Minister for Defence, has admitted it. The Melbourne *Argus*, of April 2, quotes him thus: "The psychology of the Australian people at present is such that we could add perhaps £3,000,000 to income tax for defence and they would make the sacrifice willingly. The increase in Federal taxation to cover the extra commitments for defence will be spread over a wide field, and will scarcely be noticed." The idea is to play on the people's fear complex, work them up to fever heat, and then put in the nips!

### Mr. Holloway and Mr. Lyons

Two public men have made important statements on this question of Defence Finance as follows:

*Mr. E. J. HOLLOWAY M.H.R.* - "In financing defence preparations the Commonwealth Bank, backed by the resources of the country, should be called upon to make the necessary financial arrangements to obviate the payment of millions of pounds in interest to the private banking institutions while additional burdens of taxation were thrust upon the people of Australia."

Mr. Holloway is right, and he should be commended.

*Mr. J. A. LYONS, the present Prime Minister.* - "Mr. Holloway's suggestion is getting back to the old inflation proposal of the Labor Party. The present Government had come into existence because of its opposition to inflate the currency, and would continue to oppose it. The financial aspect of defence must be faced in a practical way."

This, of course, was no reply to Mr. Holloway at all, but merely a public confession that the man filling the important office of Prime Minister does not know what "inflation means, and that the Government he speaks for was brought into being for the express purpose of maintaining the fraudulent financial system under which the nation has been groaning for years. In this respect

he has publicly confirmed, though perhaps unwittingly, all the criticism we have offered.

### What "Inflation" Means

While the Federal Government pretends that it will have nothing to do with inflation, we have the spectacle that it is the practice of that very thing since 1932 that has brought about the conditions on which the Government bases its claim to have restored prosperity. We know there has been no prosperity in the true sense of the term, but the spurious prosperity to which he refers is the direct result of the inflationary policy of the banks, just as the depression was the direct result of their *Deflationary* policy. The word "inflation," when used in connection with finance simply means a rise in prices in consequence of an increase in the supply of money. No matter how much we increase the supply of money there will be no inflation unless the prices are raised. If prices are not raised the people can get more goods with their extra money.

### Inflation Operating Now

Now the facts are that an increase in the supply of Australian credit money did take place after Mr. Lyons and his co-agents for the banks were elected in 1931. This money was created by the banks out of nothing, and when the Government commenced spending the millions it had "borrowed" from these creators there was an immediate tendency for prices to rise. What is more, the rise in prices was hailed as the turning of the tide. That was inflation, and the selfsame inflation has been continued ever since.

When the Arbitration Court granted the additional 6/- per week to the workers it meant a further increase in the supply of Australian credit money and a further rise in prices. That was more inflation, and yet we have the absurdity of a Prime Minister publicly denouncing the very thing that has kept him in office, and the very thing he admits having been elected to support. Not only so, but the intentions of the Government for the financing of the defence programme constitute a still further dose of inflation. The additional money will take the form of cheques, and will be created by the banks as debt against the community, just as all the other credit money used by Governments has been created. The creation of this credit money costs the banks nothing, for it comes into existence by merely making an entry in a book, but it is added to the national debt and we pay interest on it for ever. The entries in the bank ledgers give the banks a permanent claim to huge tribute from the people through taxation. It is a crime against us, against our children, and against the generations to come, and any Minister of the Crown who acquiesces in such fraudulent imposition is a party to the crime.

### Mr. Holloway is Right

In these circumstances the proposal of Mr. Holloway is eminently sane and proper. The people's bank should create credit money for the people, just as the private banks create credit money for themselves. Credit money created by the nation's bank for the people of the nation would be the property of the nation, and therefore not a debt against it. Mr. Lyons says this

would be inflation, and that if we did such a thing, then the people would get their armaments for nothing. It is quite true that they would get them for nothing financially, but they would have to pay the full price for them in the form of human and mechanical energy, and they would also have to utilise the wealth of the country in the process. That is the true cost of anything. There is no such thing as financial cost because finance costs nothing. The real cost of the armaments in energy and materials would be paid for as they were produced and used.

### In the Inner Council

Armaments are not made out of money. Metals are the main requirement, and apparently this accounts for leading representatives of the Metal Monopoly being present at the official discussions relating to the defence programme. There has been an increase in the price of the goods produced by the Government's monopolistic friends of the Metal and other groups, and these friends of the Government will continue to grab, through higher prices, the "Lyons" share of the new credit money to be brought into existence on the excuse of defence. It could not be brought into existence for building better roads in the country, better schools, better hospitals, better sewerage services, and the like. But armaments! Well, that's different, and the evils of inflation will be brought about entirely through the actions of Mr. Lyons's sponsors in raising the prices.

### Only a "Slight" Increase

You have doubtless noticed the significance of the public announcement by Mr. Thorby that the increase in taxation will only be "slight"—i.e., to bring in a mere £3,000,000 in the first year. This will be equal to more than 6 per cent, on the £43,000,000 the Government proposes to spend. The taxation will come from the people's pocket, but where will the £43,000,000 come from?

Sit down quietly and think over the fact that the total amount of notes and coin actually in existence in Australia is only fifty-five millions, and that this is distributed between the banks and the people. The banks hold 20 millions and the people 35 millions. This money is regularly required for paying wages and meeting the every-day demands of business, and no portion of it is ever used for the payment of loans to the Government. If the members of the public subscribe any cash it merely passes into the bank tills, and the bank passes a cheque of its own to the Treasury.

### Same Thing, but Different Names

Whenever it is proposed that the people's bank or the people's Note Issue Department should increase the credit money or the cash money, the private bankers, through their parliamentary and press mouthpieces, raise a great cry about inflation. But when the private banks increase the credit money and charge it up to us as additional debt, the same dutiful mouthpieces call it prosperity. When the £43 millions are called for as a loan, the great bulk of it will come from the private banks and their agencies, known as insurance companies, and the increased taxation will be paid out to these financial overlords. No words are too strong to denounce the swindle.

When the monopolies, with their representatives actually in the council of the nation, inflate their prices and grab the armament money back, the prostitute press will feature what they euphoniously term "a period of prosperity," and will blatantly show how these higher prices will improve the "value" of shares in the Broken Hill and other heavy industries and lead to an increase in the dividend

rate. These signs of "prosperity" are really nothing but an unseemly grab at the armament credits by a few interests entwined in the Money Ring. Dividends are quite a good thing for them, but when it is suggested that the community should get a dividend on the productive capacity of the people as a whole, these dividend and rent receivers hold up their hands in horror at such a thought. This would mean that others would get something for nothing, too. A terrible idea! Dividends do not demoralise *us*, but the extension of the principle would certainly demoralise *them*. Several churchmen display a similar attitude. They also hold up their hands in horror at the thought of such a thing, believing that the receipt by the church of thousands of pounds a week as ground rent on land given to the church for nothing is quite a different matter.

### Death by a Thousand Cuts

The additional taxes referred to in this letter will be taken from the people's income, and thus will reduce their power to spend. That will be no good to the business community, and probably that is why Mr. Thorby is trying to excuse the intended thieving by saying that it will be small and widespread. I have heard that there is a refined form of cruelty known to the Chinese as "The Death By a Thousand Cuts." The cuts are only small, and they are widespread, but they kill just the same. It may be a nail at a time, "or an eyelid, or a finger, or a toe, or an eye or a tooth, or a lip, or a nostril. Just little cuts, but widespread, like Mr. Thorby's taxation. We already have the land tax (2 lots), the income tax (2 lots), the motor tax (2 lots), the special tax, the unemployment tax, the sales tax, the stamp tax, the entertainments tax, the customs tax, the excise tax, the estate tax, the municipal tax, the police court tax (fines). Now we are to have another little one under the innocent guise of a defence tax to pay interest to private minters of fictitious money.

It is outrageous. With proper use of the people's credit there is no need whatever for these imposts, let alone an additional one. It is barefaced thieving, and every Australian worthy the name should let Mr. Holloway know that they approve of his declaration on the subject, and sincerely hope he will press the matter on every possible occasion and to the utmost of his ability. Those of us who do not reside in Mr. Holloway's electorate should tell our own member that we require him to support what Mr. Holloway is advocating.

Yours faithfully,

BRUCE H BROWN

## GREAT BRITAIN'S HUGE STAKE IN CHINA

So many nations have a stake in China that Japanese aggression there is a matter of interest to most of the civilised world.

Great Britain has at least £250,000,000 invested there; Japan a similar amount; Russia, £60,000,000; America, £50,000,000 while France, Germany, Italy, Belgium and Holland are also substantial shareholders.

England's interest in China dates back to 1842, when, as a result of the "Opium War," Hong Kong became British territory, and five ports—Shanghai, Canton, Amoy, Foochow and Ningpo—were opened to foreign residence and trade. Since that date the foreign position in China has developed into an extremely complicated diplomatic maze composed of treaty ports, concessions and international settlements.

There are two colonies in China. Hong Kong is owned outright by the British, and Macao by the Portuguese. Enormous tracts of country fall under "spheres of influence," but these are intangible—at present.

Shanghai is the centre of British interests in China proper. A British bank is the principal commercial bank in China; it dominates the money market, and fixes the rate of exchange every morning. The Municipal Council of Shanghai is controlled by British members; although both Chinese and Japanese separately greatly outnumber the British residents.

England also controls a section of the Canton-Kowloon Railway, has large holdings in the Peiping-Mukden Railway, and is vitally interested in the Shanghai-Nanking Railway. The Kailan mines, near Chinwangtao are probably England's richest individual unit of investment. British shipping companies derive considerable revenue from Chinese trade.

The Japanese compete with the British in nearly every field.

—Investors' Review.

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## THE CHURCH AND THE WORLD CRISIS

By LEONORA POLKINGHORNE

As the storm clouds gather, and the peoples of the world cower in fear of what is to come, many eyes look towards the Church, and on many tongues is the question, "Where stands the Church in all this?"

The answer is that the Church is divided on this point, some clergy holding firmly to the individualistic conception of religion and others just as emphatically asserting that the Church is to a large extent vitally concerned and partly responsible for social conditions generally. Those who hold the latter view do not talk merely, but associate actively with those who are seeking a solution of the economic tangle, and try to organise a public demand for liberty and security. Which view is taken by the Rev. P. H. Rowland, Chairman of the Congregational Union of South Australia, might be gathered by reading the report of his address to the Union when taking the chair at a recent conference.

### One Clergyman's View

After dismissing Fascism and Communism, the speaker went on to say that the only solution of the present problem was "the lowly way of sacrifice and service . . . That means a hard road . . . but the only one that will save us and the whole world from chaos."

Mr. Rowland, be it noted, did not point out who was to take this way and what exactly they were to do. We are faced with a grievous flaw in the financial system that plunges us in misery, poverty and war, and we are told that "the only way" out is for some persons unspecified to take the "hard road of sacrifice and service."

Well, thousands and millions are taking that hard road right now, but it does not seem to get them anywhere. Then Mr. Rowland proceeds to criticise social reformers. He said, "They forgot that ideal men were wanted for an ideal society. Better conditions without better men would not end the confusion and tragedies of life . . . If a man had anything like a slum in his heart, then, no matter what sort of a house or locality you put him in, it will soon be a slum. You can transfer a pig from its sty to your parlour, and your parlour will soon become a pig sty."

### The Analogy of the Pig

Mr. Rowland is just a little unfortunate in his illustration here, for we are told nowadays that a pig is not dirty at all, but becomes so because we put him in a sty. But Mr. Rowland believes in the inherent dirtiness of the pig, and he believes in the inherent evil of man. Moral: Let the pig stay in his sty till he learns table manners! Let the man stay in his slum till he (somehow) gets a change of heart, and after that—well, Mr. Rowland does, not say what will happen then, except to make the vague statement that "it is the only way out." How is it to be done? Well, we might give a book on etiquette to the pig, and induce the man to listen to a few sermons. One can't help feeling that Mr. Rowland thinks he has made quite a hit here, and said something original and clever. Well, no doubt a slum in the heart is a bad thing to have, but perhaps a slum in the mind is nearly as bad.

### Laissez-Faire

However, let us follow the reverend gentleman a bit further. "I cannot conceive a remedy for the evils of the world except through the influences of Christianity. All forms of education and of government will fail. We do not need more national development, but more spiritual development; not more intellectual power, but more spiritual power; not more knowledge, but the

appropriation of Christ's spirit and His teachings. Then His kingdom on earth will come, and this sin-cursed, war-weary, chaotic world will automatically adjust itself to right thinking and right living." There now. Could one devise a better argument for *laissez-faire*, or provide a more valid excuse for doing nothing about anything? We, perhaps all of us, know people who would win Mr. Rowland's hearty approval. They never miss a church service, they are sincere and unremitting in their prayers—they are "lovely and pleasant in their lives," they give to charity, they are ideal in their family relations *and*—they are some of the biggest obstacles that we meet when we try to enrol recruits in the fight for liberty and economic security. They not only refuse to think, but rebuke you for thinking, since your thinking brings you to disrespect of some of our traditional institutions. They are deeply pained when you suggest that there is no need for poverty, they are shocked when you criticise the Bank of England, the Royal Family, or Mr. Lyons' Government. When you attempt to put a few blatant facts and figures before them, they say, with a gently rebuking air, "Well, suppose we change the subject? I wonder whom the Bishop will send up to Booroogurrumbou."

### Christianity—

Mr. Rowland speaks of the "influences of Christianity." What does he mean by Christianity? This is quite important. If he means a self-centred concentration on saving one's individual soul, then it is not hard to see why it has little influence. He clearly does not mean by it a strong sense of social justice, a hatred of oppression and a wrong and a burning desire to help put things right so that men and women can stand up in the full stature of their manhood and womanhood. How can Christianity have any influence at all if it acquiesces in exploitation, accepts unprotestingly war, poverty, and ignorance, and says that misery does not matter?

### —And the Founder

It is a strange stand to take for one who professes the faith of One Who was the friend of the poor and oppressed. We may remember His answer to those who came from John asking, "Whether Thou art He that should come, or do we look for another?" The answer was to point out all the human misery He had alleviated, the disabilities He had removed, the Gospel He had preached to the poor. Gospel—good news. What sort of good news have these "non-interventionists" among the clergy? "Never mind your poverty and misery. How about the health of your soul?" Will the disinherited, the frustrated, and the wretched "gladly follow" such shepherds as these?

### Who is Drifting, and Whither?

But Mr. Rowland has not quite finished with us yet. He goes on to discuss "the drift from religion." (He does not seem to be aware that this "drift" is coincident with the drift of so many Church leaders from the revolutionary teachings of Christ.) He says it is to be attributed to "the desire for entertainment." Apparently it is sinful to wish to be entertained. Another cause is "the vanishing sense of sin." Another, "people's sense of reverence has gone down. Sad liberties were taken with things consecrated and venerated for ages. It was a laughing, mocking, cartooning age that would soon run to the devil if not checked."

Well, well! What a pity that we no longer reverence! Can it be because we have so few things

## TEMPTATION OF A LEADER

By MILES HYATT, in "Social Credit."

Like most of us, I suppose, you have in your time sat in some group of earnest associates and wished to be able to "grasp this sorry scheme of things entire," in order to "shatter it to bits and then remould it nearer to the heart's desire."

In so doing you really make the claim that you have the *right* to smash up and reconstruct the world, over the heads of everybody else, and, more serious, you assume that you know the "heart's desire" of all other people better than they do themselves. This you are determined to let them have, even if they resist their good fortune.

As a matter of fact, it is the hardest thing in the world, but essential to learn, that no one person can ever know what another person wants without asking him. Political parties are all based on this fatal mistake largely because they are run by men who are self-deceived into thinking their personal ambition for power is really idealism.

Party leaders do not ask, "What do you want us to get for you?" Instead, they say: "You want tariffs, or nationalisation, or free trade, or non-intervention. Vote for us."

And each of these things is nothing but a method for the "remoulding"—not the finished product, which most of us might dislike intensely when we had it. Certainly we should not know what it was going to be till we actually saw it.

Now, this fatal error was very clearly foreseen by Christ when He was tempted of the Devil (*Matthew and Luke, ch. 4*). He was offered nothing less than absolute rule over all the cities and kingdoms of the earth—the power to grasp and re-mould the whole sorry scheme of things; and He, knowing that every single individual has to accept his own measure of personal responsibility in asking for that which he wishes to receive, and that no other individual, God or man, may do this for him, rejected the Devil's offer.

Each of the other Temptations held similar implications. Why not make all men dependent on His leadership by turning stones into the bread they needed? Why not dazzle them with a spectacular display of magic, by leaping off the Temple pinnacle and alighting unhurt?

One method would enslave men's bodies, the other their spiritual selves.

Discussing this very point in *Community* for January, the Rev. J. L. Cornell writes: "However comfortable and kindly, the power matters not at all. Power implies fear, and all fear is a lack of faith."

The extension of individual faith, the "faith inherent in society

left worthy of reverence? We wonder to *what things* Mr. Rowland refers. Can it be the banking system or war-minded clerics? As for the cartoonists, they are mostly on the side of the angels. Low and Will Dyson have done a good deal to burn up the rubbish that has emanated from "slum minds" by the fire of their genius, and the clarity of their vision. Are such as these referred to as mockers and cartoonists?

Mr. Rowland concludes by saying that neither statesman nor financier is wanted in this crisis, but a prophet. It is to be hoped that he will not delay too long, for by all the signs in the sky, Armageddon will soon be upon us, and when that is over, there will be no one to prophesy to.

that individuals in association can get what they want," can have no existence under domination; and just as faith without works is dead, so also works without faith lead straight to chaos—the lunatic anarchy that we have around us at this present moment. Works without faith are insane works.

It is vitally important, therefore, to understand the nature of this most evil of all the temptations and to resist it as being of the very Devil, and leading straight to Hell—not, as so many of its devotees *think*, to the Kingdom of Heaven.

## CAPITALISATION

Some time ago the Presbyterian Assembly requested that the "Movement for the Christian Social Order" should present to them a report on Capitalisation. This report is now ready, and will be presented to the Presbyterian Assembly in May. It is likely that it will also be offered for consideration to the other Christian Churches. After an acute analysis of Capitalisation the report concludes as follows:

"Capitalisation is the manifestation of the dominance of Money Power over humanity, and is the result of the existing system of finance, which is incompetent to deal with an era of abundance, even though it tended to stimulate progress during an era of scarcity. This system, which demands continually increasing capitalisation for its existence, with its corollary, a continually increasing debt, is

Morally indefensible,  
Totally unnecessary,  
Incompatible with democracy,  
and  
Incapable of surviving indefinitely,

and therefore can only intensify the frustration, if not presage the collapse of a civilisation continuing to rely upon it as the basis of its existence.

It is therefore the duty of the Church to proclaim its conviction that this system of capitalisation is inimical to the material and spiritual well being of man. By denying to man that measure of personal freedom and economic security, which God's bounty has provided for him, it arrests the development of a personality founded on love and made possible by Christ. It compels man to continue to order his efforts in compliance with a "hunger" motive when God's abundance has made it possible to ascend to the love motive. By its imposed restrictions on man's better self it hinders the setting up of that Realm of Right Relations (the Kingdom of God) which it is the Church's mission to establish.

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(Continued from page 3.)

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## ELECTORAL CAMPAIGN NOTES

## VICTORIA

Have you a reformer's encyclopedia? If not start one now. You will find it an inestimable help to be able to substantiate a statement you may be questioned on, by taking from your pocket, or from that inexhaustible mystery, the lady's bag, authentic references. A handy-sized notebook will serve the purpose. Last week's issue of the *New Times* contained an extract from *The U.S.A. Bankers' Magazine*; cut it out and paste in your book. The following letter will make an appropriate companion for it:—London, June 25, 1863, Messrs. Ikleheimer, Morton, and Vandergould, No. 3 Wall St., New York, U.S.A.

Dear Sirs,—A John Sherman has written us from a town in Ohio, U.S.A., as to the profits that may be made in the National Banking business under a recent Act of your Congress, a copy of which Act accompanied his letter.

Apparently this Act has been drawn upon the plan formulated here last summer by the British Bankers' Association, and by that Association recommended to our American friends as one that if enacted into law would prove highly profitable to the banking fraternity throughout the world.

Mr. Sherman declares that there has never before been such opportunity for capitalists to accumulate money as that presented by this Act, and that the old plan of State Banks is so unpopular that the new scheme will by mere contrast be most favourably regarded, notwithstanding the fact that it gives the National Banks an absolute control of the national finances.

"The few who can understand the system," he says, "will either be so interested in its profits, or so dependent on its favours, that there will be no opposition from that class, while, on the other hand, that great body of the people, mentally incapable of comprehending the tremendous advantages that capital derives from the system, will bear the burden without complaint, and perhaps without even suspecting that the system is inimical to their interests."

Please advise us fully as to this matter, and also state whether or not you will be of assistance to us if we conclude to establish a National Bank in the City of New York. If you are acquainted with Mr. Sherman (he appears to have introduced the National Banking Act), we will be glad to know something of him. If we avail ourselves of the information he furnished, we will, of course, make due compensation.—Awaiting your reply, we are,

Your respectful servants,  
ROTHSCHILD BROS.

ERIC BUTLER appears to be getting well into his stride towards the objective of organising the whole of Victoria. Donald meeting, of March 22nd, was quite good—approximately 100 being present. Those present were very impressed with the ability of the young crusader, who was given an excellent write-up in the local press. Leaving Donald on the next afternoon Eric faced a trip of over 200 miles to Murrayville, and en route called on supporters at Charlton, Berriwillock and Ouyen, with a view to arranging matters for later on. Eric is apparently finding motorbikes somewhat trying, but in spite of bike trouble, a very heavy fever, and the Mallee temperature, well over 100 degrees, he managed to reach Murrayville about 7.30 on night of meeting. A heavy fall on trip also left him very sore. However, despite these setbacks he showed his remark-

able tenacity by delivering what was termed "the finest address heard in Murrayville," and a return visit to this fertile area can be expected to yield big results. After seeing several citizens the next morning Eric returned to Donald, arriving the same evening, and thus covering a distance of over 400 miles in two days, under adverse conditions. This effort did not improve his health, and he spent the weekend under the care of that very fine worker—Mrs. Oakley, of Donald.

A meeting of those interested, who had been present at the public meeting, was held at the home of, Mrs. Oakley on Tuesday, 29th, at which Eric outlined several ideas for getting young people into the meeting. He informs headquarters that his usual efficiency was very much curtailed by not being too well. However, the local supporters can be relied upon.

Leaving next morning, he arrived in Melbourne the same evening, after several calls on the way down.

Organising work kept him very busy for a few days before he left for Lockington district, where he has several meetings to address. Reports of these will appear as they come to hand.

GIPPSLAND. Arrangements are being made for a series of meetings in Gippsland, and all supporters who can help are asked to get in touch with headquarters. Eric has his time fully occupied, and if all supporters would get in touch ahead it would be of tremendous advantage. Eric is demonstrating that, for his age, he has no equals as a platform orator, while his presentation of the campaign has caused favourable comment from all quarters. Help to keep him in the thick of this fight and he will get results. With things at headquarters speeding up, and the country beginning to be stirred, things are certainly moving.

SPEAKERS' CLASS will have to evolve a new name; it does not embrace the true meaning of the evening. It's more of a "get together" affair, and perhaps that is a better way to refer to it in future. Some of the speakers, who faced an audience for the first time on Wednesday evening, March 30, were surprised that the ordeal was not as awful as they had anticipated, and also that they made such a good job of it. The impression gathered from the feeling of the meeting is that the next evening cannot come quickly enough to satisfy some who were present. All present thoroughly enjoyed themselves. The next meeting is on Wednesday evening, April 13, in the U.E.A. Rooms, McEwan House. It is not necessary to be one of the speakers; you can amuse yourself by asking awkward questions.

YOUTH MEETING held in the Rooms, Monday evening, April 4, went with a great swing. Youth is certainly organising and settling down to business. Quite a number present gave very good reports of their activities, and further suggestions for action were brought forward. More new faces were noticed amongst the number present. It was decided to have a pamphlet designed to explain what youth can do to further the aims of the U.E.A. This, it is considered, will be a help to newcomers, and also in recruiting new members. An essay competition was decided on, the winner to be published in the *New Times*. Further information regarding this will be announced when certain legal aspects are ascertained.

## MONEY FOR WAR—NONE FOR PEACE!

By H.A.H.

So we are to spend £43,000,000 for defence. Always, mark you, the nations arm for defence—or, at least, that is what the papers say. Some weeks ago the gentleman who writes leading articles for the *Melbourne Age* painted a glowing picture of the wonderful heritage, which our forefathers have handed down to the youth of today.

We look around for this wondrous heritage. We see it certainly in the wonderful organisation that exists for the purpose of supplying our daily wants.

But we stand aghast when we view the criminal imbecility of our elderly political overlords, and the use to which they are turning the creative forces under their control.

In a land which produces a prolific abundance of primary products thousands live on the borderline of starvation, the while we export to countries thousands of miles away the food these fellow-citizens need but have not the money to buy. As if this were not enough to taunt their pecuniary

helplessness, we destroy the rest, for which no export market can be found.

We make appeal after appeal for a few miserable pounds with which to alleviate their suffering and destitution, with inadequate result.

For after-care of crippled children there could not be found enough. For war-scarred heroes of that stupid, bloody carnage of 20 years ago, money is not made available to keep them in comfort for the rest of their days. Many walk the streets in poverty and want, too weak to work; if work they could but find. Is it work they need, or money, to supply their wants? But, when it comes to building engines of destruction, millions can be found with alacrity and ease.

And how are we to finance this programme of defence, which almost seems necessary, in view of the insensate folly of political idiots? By taxation and loans so we are told. Where, then, is the glorious heritage of youth?

In the fight for economic security they reaped no benefit from the

high prices that ruled during the war that is past. They were too young. Yet are they not forced to pay taxes to meet the interest on loans then made? And yet they must, it seems, pay more for the war that is to come, in which they will have the privilege of defending—what?

And then we come to loans. What are these loans? Who makes these loans that bear interest in perpetuity?

And if we, who are of military age, are expected to give our lives in defence of "our" country, why cannot others give their money? If they only loan it, and at interest, then is war not a profitable business so far as the lender is concerned? Why cannot the Government supply its own money, free of cost, to finance its programme of defence? And here we come to the nigger in the woodpile. There is a small group of grasping, rapacious and conscienceless individuals in this country, who, having usurped the Crown's prerogative, are issuing money by the millions of pounds, as debt, to the community. In their manipulation of the financial credit to suit their own nefarious ends, lie the seeds of war.

Their machinations compel us to fight for export markets, or further restrict production.

International friction arises in the fight for export markets, and we then have to arm for "defence." What irony! What stupidity! When there are thousands in our own country that could make use of the products exported. Is it not time that we of the younger generation took a hand in public affairs?

Is it not time we told our Parliamentary representatives of all parties that there is a limit to patience and credulity.

If they can find £43,000,000 for defence, then let them find millions to make life for the individual secure and free.

If they say they cannot do that, then they are bankers' dummies and should be voted out. Let us not tolerate them any longer.

We do not expect them to be financial experts, but they have experts of different schools of thought at their command. Our representatives should be told we will tolerate this racketeering gang of financiers no longer. Either they mend their ways—or out they go, to be replaced by those who will manage the finances of this country for the benefit of its inhabitants.

## WOMEN AND WAR

"This meeting of the Women International League for Peace and Freedom opposes the policy of large increases of armaments recently adopted by the Government of this country. We maintain that this is no effective defence, and we regard it as an indication of bankruptcy of statesmanship on the part of our political leaders.

"Competent judges being in agreement that an armaments race can only end in general disaster, we, as citizens, repudiate participation in such a race, and we call on all Australians of good-will to press for the initiation of a good-neighbour policy, not as a theory but as a practical scheme, to be implemented with such large sums of public revenue as are now proposed to be sunk in copying old-world militarism."

—Resolution carried at the annual meeting of the Women's International League for Peace and Freedom (Australian section), Melbourne, April 4th, 1938.

An idle factory is the last word in futility, and a system, which from time to time renders factories idle, is the last word in a futile system.

Bertram Benedict.

## LETTERS TO THE EDITOR

## "NEW ZEALAND REJECTS SANE FINANCE"

Sir,—A very misleading article in a recent number of the *New Times* was so headed.

Your contributor stated, with out any explanation, for all your readers to be misled: "*Money is put into circulation through national insurance.*" How, please? Don't the people want to buy anything with their money that they are compelled to pay into the national insurance scheme? How does national insurance benefit the insured? Then, "*The Government taxes them*" (the rich) "*highly and puts the money back into circulation amongst the poorer consumers.*" Sound soak the rich—bribe the poor practice. "*This Government guarantees the price of butter to the farmers.*" The promise of that bribe got them into power, and, as it costs them nothing, they have kept their promise. They now own the farmers to do with as they please. "*The Government takes upon itself the job of selling butter overseas.*" Naturally. The Soviet despotism thought of it first. The farmers are free now—to support this Government or starve. Starvation is a well-known, never-failing method of taming, high-spirited horses. It is also used on farmers and all other common people that governments keep tame.

Isn't New Zealand wonderful? They used to borrow money made in a "sane finance" money factory. Now, according to your article, they have a money factory of their own, so they make £5,000,000—at no more cost than I am put to, to write five words here, let me remark. Then, you explain that they borrow this £5,000,000 from themselves, and promise to pay themselves £62,500 a year interest on the loan. So they tax themselves £62,500 every year, and pay themselves £62,500 every year. New Zealand is wonderful, all right, if it thinks that is so clever. It is certainly clever work by the Government which now owns the money factory. The New Zealand people very plainly don't own it; but they are slipping into a new slavery. "Sane finance" and "Socialist-insane-finance" are the same thing. Different dress only.

The "sane finance" banking system used to own the people's hovels and houses by manufacturing money. Now this Government makes the money and owns the houses—and the unfortunate people (I know what I said) who must live in them. These houses may belong to the "State"—priceless illusion-

lusion—but the "State" belongs to the Government. This Government knows how to keep in office. They are too wise to let the people have their own money.

Enough. This Government is either too crafty or too silly for words. "Sane finance" has their number, and is letting them have enough rope to hang themselves. At present, when anyone says "New Zealand rejects sound finance," it should be stated that the present Government works the same racket on the New Zealand people for the Government's own benefit.

J. H. DAVIS.

Mansfield.

[It is necessary to point out that the passages criticised are all taken from the letter addressed to us by our correspondent, and that in the first column of the article we ourselves had something to say on the matter. The views of Mr. Davis are interesting, as he also has been to New Zealand. Time alone will tell whether his pessimism or the optimism of our other correspondent will be justified. It is difficult to get any reliable information from orthodox avenues of publicity.

New Zealand's Government will succeed in its fight against finance only if it applies right principles.—Ed.]

## CONSCRIPTION

Sir,—The lead given by the Labor Premier of Tasmania on compulsory military training has been pounced on by the daily press and the Collins House Brigade (Home Service), and is now being followed up by the R.S.L. In the *Sun* of 29/3/38 Sir Gilbert Dyett says, among other things, "Particularly should the younger generation be ready to lay down their lives, as many of the A.I.F. had done." You see it is all "they."

If there is to be any conscription, then let us demand that those who have the most to defend be called up first, irrespective of age, and that the whole of the wealth of Australia be conscripted. If such were the case it would be surprising how quickly the advocacy would fizzle out.

Why, in the name of commonsense, can't the above-mentioned endeavour to eliminate the causes of war, instead of preparing to drive men (and, in modern warfare, women and children also) to the slaughter?

For God's sake Australians, Wake up!

"EX-DIGGER."

North Melbourne.