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THE NEW TIMES

BANK BALANCE
SHEET DECEPTION

See Page Four

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 20

MELBOURNE, FRIDAY, MAY 20, 1938.

Every Friday, 3d

THE NATIONAL DEBT SCANDAL

Bruce Brown on the Oxford
Group

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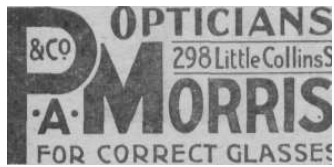
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(Continued on page 3.)

National Insurance, Banking Legislation, and Mental Bankruptcy

Detailed discussion of the provisions of the National Health and Pensions Insurance Bill is not necessary. For the Bill is wholly bad, and basically unsound.

It will do nothing to place more money in people's pockets, the one vital need of the day. Its effect will be just the opposite—namely, to take money out of people's pockets. It will take money out and keep it out. True, the money will eventually tend to flow back, but there will always be a lag in the flow, and a growing sum will be kept of the consumption market.

The whole scheme of the Bill is to rob Peter and Paul to pay Paul. What Peter and Paul, representing employer and employee, need at the present stage is a new fund of money, distributed to them from outside industry, to compensate for the deficiency in the flow of income distributed by industry. No amount of rearranging income distributed by industry can have any lasting or adequate effect.

The Federal Government's Bill is a monumental piece of futility. Insurance has been carried on in England for years past, and has not prevented the degradation of wage earners.

Proposed Benefits

The "benefits" proposed by the Bill are staggering in their meanness. They are as follow:

Health: Free medical attendance and treatment; sickness benefits of \$1 a week for men, 15/- for women, and 3/6 for each dependent under 15; disablement benefits of 15/- a week for men, 12/6 for women and 3/6 for each dependent child under 15.

Pensions: Old-age pension of \$1 a week from 65 for men and 15/- a week for women from 60, and 3/6 allowance for each child under 15; free medical attendance and treatment for remainder of lives of old-age pensioners; pension of 15/- a week for life or until remarriage of widow of insured man, and allowance of 3/6 for children under 15; orphan pension of 7/6 a week for each orphan child under 15 of insured person.

Juvenile contributors, under 16, will be entitled to medical benefit only. They will pay a reduced weekly contribution.

No one but a half-wit could possibly imagine that these payments are sufficient either to maintain self-respect and decency or to allow the recipients to perform properly their necessary functions as consumers.

How the Poor Are to be Soaked

Weekly contributions will be 3/- for men and 2/- for women, of which, in each case, the employer will pay half. Of the 3/- paid for the men, 1/3 will go to health insurance and 1/9 for pensions. For women, 1/2 will be paid to health insurance and 10d to pensions.

To assist in meeting the gradually increasing cost of the pensions scheme, the men's contributions will subsequently be increased by 6d a week after five years, and by another 6d a week after ten years, and the women's contributions by 6d a week after five years. One half of the contribution will continue to be paid by the employer.

The weekly contribution for juvenile contributors will be 8d a week, the employer to pay 4d.

The contributions will be collected by a single stamp to be affixed weekly by the employer to the employee's insurance card. The employer will be entitled to recover the employee's contribution by reduction from his wages.

These contributions will be borne

eventually by the consumer. The employer will have to pass on his contribution into prices or go out of production. The employee will have that much less to spend each week.

A Governmental Smoke Screen

The Bill is nothing but a hollow pretence that the Federal Government is doing something to cure the people's lack of money. Its framing and its administration have involved, and will involve, an enormous waste of human energy which should have been, and should be, devoted to better purposes.

A thoroughgoing and scientific money reform scheme would be more simple to devise, easier to administer and would really achieve results.

In these days of plenty, insurance and monetary saving are unnecessary. All that is needed is an assured flow of tickets to provide access to the assured flow of real wealth. There is enough real wealth for everyone, and everyone should be assured of financial access to it *as of right* and free of debt.

Banking Legislation

The Government announces its intention to bludgeon through the National Insurance Bill this session, and hints that banking legislation might have to stand over till later.

The Government has never evinced the slightest desire to tamper with the financial monopoly constituted by the trading banks and the trading bank and big business controlled Commonwealth Bank. Mr. Lyons' war cry has been "Hands Off the Banks." Sir John Latham did not want even an inquiry into the banking system. His motto was, "Don't breathe on the works." Mr. Casey is one of the monopoly.

To gain time and to shift its responsibility, the "sound finance" Government eventually did appoint a Royal Commission of Inquiry into Banking, consisting of handpicked members of known views and mentality. After very many months of rumbling this mountain broke into violent eruption in August 1937, and brought forth a mouse.

The Commission's Recommendations

A summary of its recommendations is to be found at page 979 and following pages of the Commonwealth Year Book for 1937.

"By some mischance the Commission did make two or three recommendations of possible value.

It recommended that members of the Bank Board should be selected for capacity and diversity of experience and contact, and not as representatives of special interests (as at present). Representatives of special interests must come from the ranks of the monopoly. On the newly recommended basis they may also come from those ranks. But, on the other hand, they might not.

It recommended that the Commonwealth Parliament should legislate to provide that the Commonwealth Bank Board, with the consent of the Treasurer, may require every trading bank to keep with the Commonwealth Bank an amount representing some minimum percentage of its liability to its depositors.

It went on, in paragraph 530 of its report, to recommend as follows: Paragraph 530: Neither of these answers commends itself to us. In our view the proper relations between the two authorities are these. The Federal Parliament is ultimately responsible for

monetary policy and the Government of the day is the executive of the Parliament. The Commonwealth Bank has certain powers delegated to it by statute, and the Board's duty to the community is to exercise those powers to the best of its ability.

Where there is a conflict between the Government's view of what is best in the national interest, and the Board's view, the first essential is full and frank discussion between the two authorities, with a view to exploring the whole problem. In most cases this should ensure agreement on a policy to be carried out by the bank, which it can reconcile with its duty to the community, and which has the approval of the Government. In cases in which it is clear beyond doubt that the differences are irreconcilable, the Government should give the bank an assurance that it accepts full responsibility for the proposed policy, and is in a position to take, and will take, any action necessary to implement it. It is then the duty of the bank to accept this assurance and to carry out the policy of the Government. This does not imply that there should at any time be interference by the Government or by any member of the Government in the administration of the Commonwealth Bank. Once the question of authority is decided, there should be little difficulty in preserving close and cordial relations between the Commonwealth Government and the Commonwealth Bank."

"The assistant general manager (Mr. O. L. Isaachsen) will probably represent the Bank of Adelaide. Mr. D. S. Forbes, of Brisbane, general manager of the Queensland National Bank, is also expected to attend.

"Head offices of the Bank of New South Wales and the Commercial Banking Company of Sydney are in Sydney. The general managers are Messrs. A. C. Davidson and C. Darvall, respectively."

What the Government Proposes to do

On April 27, 1938, Mr. Clark, M.H.R., for Darling, asked the Prime Minister the following question:

"I ask the Prime Minister whether it is a fact, as reported in the press, that the Government has consulted the associated banks in connection with the proposed banking legislation to be introduced this session. If so, what is the reason for not consulting other sections of the community that might be affected by the proposed legislation?"

Mr. Casey replied as follows: "The Government has called for no reports from the Commonwealth Bank or from the trading banks. But, on behalf of the Government, I have sought to inform my mind in any and all quarters where I thought information could usefully be obtained."

Later in day, Mr. Curtin, Leader of the Opposition, sought further information, and received a similar reply. The relevant extract from Hansard is as follows:

"Mr. Curtin asked the Treasurer, upon notice—

"1. Is it a fact that the Government has asked the Commonwealth Bank Board and/or other banks to submit a report on the findings of the Royal Commission on Banking?"

"2. If so, have these reports yet been presented to the Government?"

"3. Will the Government make such reports available to honorable members?"

"Mr. Casey: In order to inform my mind adequately on matters arising out of the recommendations of the Royal Commission, I have caused the Commonwealth Bank and trading banks to exchange views, and have kept in touch with the discussions. No reports have been submitted to the Government."

Some five or six weeks ago the following notice appeared in the Melbourne Herald:

"GATHERING OF BANKERS

"Sydney Conference.

"General managers of Australian trading banks will gather in Sydney about the end of this week for a conference next

Tuesday afternoon with representatives of the Commonwealth Bank and the Federal Treasurer (Mr. R. G. Casey) about impending legislation, as a result of the Banking Commission's report.

"Melbourne representatives will include: Messrs. G. D. Healy, superintendent of the Bank of Australasia; P. F. G. Gordon, general manager, Commercial Bank; J. Ewing, general manager, E.S. and A. Bank; and L. J. McConnan, chief manager, National Bank.

"The general manager of the Union Bank, Mr. A. W. Nichol, will leave for England on the Orcaes on Tuesday, and will not attend the conference. Mr. F. C. Bishop, who will be acting general manager during the absence of Mr. McNicol, may go to Sydney to represent the bank.

"The assistant general manager (Mr. O. L. Isaachsen) will probably represent the Bank of Adelaide. Mr. D. S. Forbes, of Brisbane, general manager of the Queensland National Bank, is also expected to attend.

"Head offices of the Bank of New South Wales and the Commercial Banking Company of Sydney are in Sydney. The general managers are Messrs. A. C. Davidson and C. Darvall, respectively."

The Terms of the Bill

The terms of the proposed Banking Bill have not yet been disclosed, but it is clearly evident which way the wind blows.

Unimportant recommendations of the Royal Commission will be acted upon, such as in the matter of establishing a mortgage bank. Insofar as the privileges of the trading banks or the powers or constitution of the Commonwealth Bank are concerned, the trading banks are being called upon to help draft the legislation.

The Lyons-Casey Government is taking its orders not from the people, but from the banks. The accused is being given a hand in framing the decision to enter a *nolle prosequi*.

Mr. Casey does not think that information can be usefully obtained from any other quarters. The electors must put Mr. Casey right on this problem and make it evident that their orders must be respected.

The Federal Government's legislative programme is an indication of moral cowardice and mental bankruptcy.



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"ENDS AND MEANS"

By ALDOUS HUXLEY.

Book Review by "Dynamics"

Readers of the *New Times* do not need to be reminded that the price of a book may have very little relation to its value. The present writer is inclined to say that parts of Aldous Huxley's "Ends and Means" are worth their weight in oranges—because they give him the *pip*; other parts are much more than worth their weight in ginger—because they are full of *pep*.

Each reader of the book will tend to make a different partition in commending and criticising. Some, with a wider knowledge of the matters dealt with, may not agree that the last five chapters (dealing with education, beliefs, etc.) are much more enlightening than the earlier ones.

One of the "snappiest" sections in the first chapter is that referring to the organised lying which is so shamelessly and widely practised, but it is doubtful whether Huxley senses the subtlety of what Major-General Fuller calls the blue lies of false emphasis, which are among the more important tools of those who dictate policy through finance and so enslave the people and their Governments alike.

Cause of War

In the chapter headed, "Large Scale Social Reform," this sentence appears (p. 18): "War and violence are the prime cause of war and violence"—this in the space deliberately devoted to "recipes and warnings"! Something more specific is surely to be expected, not so much of prime causes in general, but of present-day root causes, for the conflicts threaten to become more violent (rather than fiercer), and more widespread just when the abundance of commodities available seem to form the basis for a *prima facie* case in favour of the proposition that *sloth* would be the only result to be feared. If, as is suggested (p. 23), "unawareness and stupidity are among the deadly sins," here is a sin in a deadly degree; for there is an ignoring of the useless, senseless and easily cured fight for internal and external markets. That overworked word, "markets," as has been pointed out, merely refers (ultimately) to the "common or garden" people, *with money to buy*. If there is a univer-

sal fight for markets, there must be a universal shortage of money-to-spend in the pockets of Tom, Dick and Lady Harriette.

This Planning

Chapter V. deals with a planned society, and in this section the absence of any mention of the actual ramifications of the Political and Economic Planning (P.E.P.) is a serious fault. It may not be fair to lay blame personally at the feet of an academic *savant* because none but the most persistent research detectives would be likely to sense and expose the plots of Montagu Norman, his satellites and dupes, but by means of P.E.P. there has very nearly been accomplished in the English-speaking countries what has been done more openly in Germany and Italy in maintaining centralised power over the lives of the people. Communities must be awakened to insist that no planning can be accepted unless it is done wholly within the framework of real democracy, so conceived that ever-increasing individual freedom is the keynote of its philosophy *and the result desired by the multitude actually achieved*. The sentence (p. 39), "But economic planning, undertaken by a national Government for the benefit of its own people, inevitably disturbs that international economic harmony which is the result of national planlessness" would be a beautiful text for Professor Copland to dilate upon. Nuff said. Again, the man who writes (p. 40), "No scheme of coordinated international planning can be carried through unless all nations sacrifice some of their sovereign rights" needs to be given a few kindergarten lessons concerning sovereignty (according to the Christian ethic), as related to individual persons, and the view that eventually sovereignty shall vest almost wholly in the individual.

Confusion

In many places there is a want of clarity, because there is not kept in mind with sufficient care the difference between *policy* and *administration*. For instance, the phrase, "public control of finance and investment," can be interpreted in many ways; whereas, if we say that the people concerned in any

project must dictate policy (i.e., demand results) in relation to finance, leaving the experts a free hand to mould their technique, we have a clear-cut picture of what is expected in a thoroughgoing democracy.

The fact that power must be wrested from the financiers is certainly of extreme importance, but it is even more important that we make sure that the same power is not left floating around, as it were, for other power-maniacs to grab. As F. C. Morehouse puts it: "The problem of democracy is not the problem of getting rid of kings. It is the problem of clothing the whole of the people with the elements of kingship."

In common with many who comment lightly on the place of Major C. H. Douglas in the field of necessary reform, Huxley makes the mistake of assuming that "currency reform" is the basis of the movement associated with the name of Douglas.

"Parts of It are Excellent"

Some apology is needed for thus picking out for notice all the holes in the road without mentioning the area of good pavement. Throughout the chapters from which the above quotations are taken are many brilliant passages full of convincing meaning. But many readers of the book who appreciate such passages may, unawares, be led to accept *all* that is written without sufficient critical attention.

However, as an atonement (in the space available) let us note some passages from the later portions of the book (typical of many), which will find general approval, or be accepted as worthy attempts to stimulate careful thought and satisfactory sentiment:

Page 195: "The man who goes through a course of our academic education may come out a parrot. In this case we may say that the education has failed of its purpose. Or he may come out as an efficient specialist. In this case we say that the education has" been partially successful. Or else . . . he may emerge as an intellectual . . . —i.e., one who understands the relations between many sectors of apprehended reality, but does so only theoretically."

Page 210: "Hence, the dismal spectacle of scientists and technicians using all their powers to help their country's rulers to commit mass murder with increased efficiency."

Page 230: "Indeed, it would be

almost true to say that preoccupation with traditional rites and ceremonies is something which actually separates people from the society in which they live. There are only too many men and women who think that, if they have scrupulously repeated the prescribed phrases, made the proper gestures and observed the traditional taboos, they are excused from bothering about anything else."

Page 281: "The craving for righteousness seems to be a human characteristic just as fundamental as the craving for explanation."

Page 323: "An intelligent, wise man is capable not only of achieving personal enlightenment, but also of helping whole societies to deal with their major problems of belief and practice."

"NOT WORTHY OF THE NAME OF CHRISTIANS"

Father Owen Dudley, Superior of Catholic Missionary Society (Westminster, London), noted author and lecturer, made the following points in a lecture in Melbourne:—

Capitalism was the system that uses wealth to produce more wealth. It was not wrong of itself, but wrong in its attendant evils. The first of its evils was its dominating money power. The very means of production and distribution were very largely in the grip of a small number of capitalists. The present social unrest was an effort to unloosen that grip. The second evil was the subordination of the interests of others to personal gain. The laws of justice were sacrificed on the altar of self-interest. The slogan, "Business is business," meant in practice that it was worldly success alone that counted. But the capitalist had no right to a power, which dominated the whole machinery of economic and social life. Under that system thousands were ground into poverty, the rights of labour went unregarded, unrestricted competition ruled, and capital was concentrated into a few hands. This meant domination by the few and the sacrifice of the many.

In England, twenty million people were in a state of malnutrition or semi-starvation. Nine millions, after ordinary expenses and rent were paid, had only 8/- each to live on; five millions had 6/- each, and four millions only 4/- each. There was plenty in England, but the financial system did not allow the people enough. Financial profit came before human life. They could all do their bit in bringing about social reform. The creation of public opinion would make the politician act, and would attract wider support. If they turned a deaf ear to the cry of the world in distress they were not worthy of the name of Christians.

"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.

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(Continued from page 2.)
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Senator J. F. Guthrie,
Geelong.

Dear Senator Guthrie, —

We have noted your concern for the stock in the drought areas, and only wish we could believe in your sincerity. Are you concerned for the stock as "poor, dumb animals" or because of what they mean to yourself and others as graziers?

According to your letter in the "Argus," sheep and cattle are in distress, firstly, because there has been no rain for some time, and, secondly, because the flock-owners "cannot raise the money to buy food, etc." Truly this is a remarkable state of affairs, for, on your own admission, if we could but "raise the money" there would be no occasion to call upon God at all. "Raise the money!" What do you mean by that?

Now it is a fact that millions and millions of tons of good water have been allowed, and are still being allowed, to run to waste in the sea, instead of being used for irrigation purposes, and this also has been due to our inability to "raise the money." We have had plenty of men to dig water channels, but we have had no money to pay them for doing the work. We have failed to make use of the facilities God has provided, and, when we begin to suffer because of that neglect, you suggest we should rush to God for further help. There seems to be very little that is manly about an attitude like that.

Try to put yourself in God's place, and consider what your own reactions would be to prayers for rain. In the year 1934, for example, and despite the fact that production was greater than ever, You saw 3,600,000 men, women and children die of starvation and economic stress, even while cattle were being destroyed, fish were being thrown back into the sea, milk was being poured down the drains, coffee was being burned and dumped, cotton was being ploughed back into the fields, potatoes were being left in the ground to rot,

and so on. And the year 1934 was but typical of other years. You did not hear of any agitation for prayers on that account from Senator Guthrie, of the Australian Parliament, and You came to the natural conclusion that where he was concerned there was no occasion to worry, because the sufferers were only human beings. Had they been sheep or cattle, then, of course, the position would have been entirely different!

What would you really do, dear Senator, if you had been exceedingly generous to your friends, and they had consistently thrown your gifts back in your face? That is precisely what has been happening to God, and what you have seen happening without protest or effort to stop it.

And what would you say to a man who came cringing to you when the remedy for his trouble was in his own hands, and when he, more than most people, had been guilty of callous neglect regarding the "money-raising" business?

If, as you admit, the provision of money would save the stock—i.e., would enable stockowners to obtain feed from other parts—would it not be far more sensible to require the money factories to produce more money immediately than go to God for rain, especially when God, based on human standards, has already done much more than a fair thing?

We suggest that, after we have "raised the money" and saved the cattle, we should then insist on the provision of whatever money is necessary to divert our rivers for irrigation purposes to the maximum of our physical capacity and the needs of the graziers and farmers. The shortage of money alone prevents this, and you, Senator Guthrie, are one of the persons responsible for the shortage. Moreover, your responsibility in this respect cannot be evaded by diverting attention to God. Yours faithfully,

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FRIDAY, MAY 20, 1938.

The National Debt

On April 28, Mr. Wilson, M.H.R. for Wimmera, asked the Federal Treasurer, Mr. Casey, the following awkward questions:

1. What was the national debt in 1902, 1904, 1906 and so on in two-yearly periods to June 30, 1937—not including exchange?
2. What was the incidence of taxation per year and per head during that period?
3. How much has been borrowed from overseas, Great Britain, America, or any other countries?
4. How much was borrowed for the Great War?
5. Did actual money, such as gold, reach Australia, or was it in the form of goods?
6. What amount was paid in interest to overseas investors during the year ended June 30, 1937?
7. What is our total internal debt?
8. Who are the principal bond holders, private individuals or banks, trustee companies, etc.?
9. What amount was paid in interest in internal loans to June 30, 1937?
10. How much of both internal and external loan is free of Federal Income Tax, and how much is free of both Federal and State Income Tax?
11. How much has been paid in interest from 1902 to June 30, 1937?

On May 12 Mr. Casey furnished replies to these questions:

Since 1902, the combined National Debt of the Commonwealth and States has increased by £1,042,000,000.

Progressive increases in the National Debt are indicated in the following figures:— 1902, £221,000,000; 1910, £261,000,000; 1914, £339,000,000; 1918, £666,000,000; 1926, £1,014,000,000; 1937, £1,263,000,000.

Since the end of the war, during which Australia borrowed £350,000,000, of which £103,000,000 was borrowed overseas, the national debt has nearly doubled.

Taxation by Commonwealth and States combined has risen from £11,505,000 (£3/0/3 a head) in 1902 to £108,303,000 (£15/18/4 a head) in 1937.

Since 1902, after allowing for redemptions, the overseas debt

has increased by £407,000,000 sterling.

Australia's total internal debt on June 30 last was £674,509,661. On December 31, 1936, the bondholders who had invested in the internal debt comprised:—

Public Generally.....	£275,710,000
Commonwealth Bank .. .	27,470,000
Trading Banks.....	20,260,000
Savings Banks.....	126,650,000
Insurance Companies . . .	61,980,000
Trustee Companies .. .	38,320,000
Superannuation Funds ..	15,020,000
Government Trust Funds	20,260,000
Other Bodies .. .	1,400,000
Unclassified Holdings . . .	25,090,000
Total.....	£612,160,000

Interest paid on internal holdings of the Commonwealth and State debts for the year ended June 30 last amounted to £24,610,000.

The amount of internal loans exempt from Federal and State taxes on June 30 was £43,517,000.

The Treasurer told Mr. Wilson that the volume of tax-free loans is being steadily diminished by conversion to taxable loans.

Interest on internal Federal loans raised for Federal purposes is subject to Federal but not to State tax.

Total interest paid on the public debt of the Commonwealth and States from 1901-1937 exceeds £1,090,000,000.

* * *

This information discloses an appalling state of affairs, and if the figures are not capable of jolting a sovereign Government into action, we do not know what would succeed in that purpose (except very peremptory orders from the people of Australia).

The figures, appalling as they are, are, however, not complete. The overseas debt is expressed in sterling, and the true figure can be obtained by adding 25 per cent for exchange.

No figures are given as to ownership of the overseas debt, which rests almost exclusively with banks and financial houses.

The classification of the internal debt is unsatisfactory. The public generally do not hold £275 millions, unless in the classification of the public generally one can include members of the hundred or so families which constitute the financial monopoly in this country, and their interlocking companies (such as the Broken Hill group).

Neither do the figures disclose how much of the "publicly" owned stock and bonds are in pawn to the banks as security for overdrafts.

Perhaps the most interesting feature of the figures is the fact that interest payments during thirty-six years total well over one thousand million pounds—well on to the amount of the whole debt and more than the increase in debt since 1902.

Mr. Casey has no proposals to put an end to the debt or the tribute of interest. It is time he was given the order of the boot.

Men have been shot at dawn for conduct less damaging to the people.

Passing the Buck!

Craig, Williamson's one of Melbourne's oldest established firms went so deeply into "the red" several months ago that the bank holding the debenture put in a receiver. Stocks and book debts were sold, but the buildings

remained a white elephant. To this day they are empty, with pathetic notices on the windows that they are for sale or to let, either in whole or in lots. The debenture holding bank is whistling for its principal and interest. It has been hoist by its own petard, a victim of the money shortage, which it has helped to create.

True, the overdraft cost the bank nothing to create in the first place, and the bank's loss is accordingly nothing. But banks do not become philosophical about these things without putting up some form of a fight.

It is reported "influential groups of businessmen are investigating costs and possibilities of having Elizabeth-street carried on through the Flinders-street railway buildings and across the Yarra by a new bridge.

(Note: For "businessmen" read "bankers.")

The City Council has been moved to propose a pedestrian subway to continue Elizabeth-street from Craig's Buildings to the station. A new move is being negotiated to have these buildings "restored to an important shopping centre."

(Note: For "important shopping centre" read "good bank security.")

The rate and taxpayers will pay for the proposed works. The bank will reap the benefit, and cancel its receipts out of existence the outstanding overdraft is repaid.

It cannot be denied that bankers have initiative and good, solid hides.

But, subway or no subway, they are on the wrong track if it is good shopping centres they are wishing to establish. Shops cannot get on without customers who have enough money in their pockets to pay the prices, which the shops must charge to remain solvent. The money system at present operated by the banks is incapable of satisfying this essential state of affairs.

The Craig's "flop" is the forerunner of many such, and it is a necessary outcome of banking policy that good bank securities will gradually cease to exist.

In short, the bankers' plans are ceasing to be feasible.

Alberta and the Good Oil

The Melbourne *Herald* announces sensational new discoveries of crude oil in the Canadian Province of Alberta, and suggests that Mr. Aberhart's Government may thereby be given a new lease of life.

The electors of Alberta seem to have been a great deal more satisfied with Aberhart than the bank-inspired press would like to believe.

We do not know what is the strength of the new oil find, but, at any rate, the press now has an excuse to offer as to why its predictions of chaos and collapse have not materialised.

We shall be pleased to have the truth confirmed of any discovered increase of real wealth in Alberta, and hope that the Government will find means to make the increase available to Albertan citizens. The Government, moreover, will be better able to accumulate reserves of legal tender and foreign exchange, an important

part of the plan of campaign advised by Major Douglas in the Province's fight against the bankers. The Province will be placed in a better position to continue the fight for independence in face of difficulties arising from a banker-framed constitution. The banks will cease to have any excuse to put the bailiffs in. The Province's outside commitments will be taken care of, and it will be able to arrange its domestic arrangements more as it pleases.

The National Bank's Profit

We are indebted to the financial pages of the Melbourne *Herald* for the following particulars of the profits of the National Bank:

The National Bank of Australasia Ltd. is distributing £300,000 (6 per cent.) to shareholders for the year ended March 31, compared with £287,500 (5¾ per cent.) in the previous year.

Since 1935, the profit has been moving up steadily at the rate of about £25,000 a year, and the dividend was increased by ¼ per cent. (£12,500) in the year ended March 1936, ½ percent (£25,000) in 1937 and ¼ percent (£12,500) in 1938.

Practice of the company has been to distribute nearly 90 per cent, of its profits in dividends. In 1935-36 it distributed 89 per cent, and in 1936-37, 88 per cent.

A profit of £350,000 in the latest year, which seems indicated, would mean that this time the bank is distributing about 86 per cent, of the earnings.

The bank makes a custom of holding cash and liquid assets of around 8/- against each £1 of liabilities to the public—a recognised safe ratio.

Shareholders' funds aggregate nearly £8,500,000, £5,000,000 of which is share capital and the balance reserves, comprising share premiums and retained profits.

Profit is only slightly more than half as high as in 1929, the company's record year, when £659,278 was earned and dividend was 10 per cent. The banks have not shared the return to prosperity levels experienced in many other sections of industry.

The best indication of the deposits available to the bank and the assets in which the funds were employed is given in the quarterly averages. Averages for the four quarters ended March 1937, and March 1938, were:

	Year Ended March 31, 1937.	Year Ended March 31, 1938.
Deposits—	£000	£000
Fixed	23,559	24,426
Current .. .	12,845	13,796
Total .. .	36,404	38,222
P.C. Fixed	64.71	63.9
Cash.....	3,947	3,935
Treasury Bills	3,153	2,720
Securities . .	619	2,650
Advances, etc	36,237	36,021
Percentage to Total Deposits.		
Cash.....	10.8	10.3
Treasury Bills	8.7	7.1
Securities	1.7	6.9
Advances etc.	99.5	94.2%

The bank employed an extra £866,000 of fixed deposits, which would cost it about £25,000.

Advances showed little change.

An additional £2,031,000 was invested in Government securities, netting about £60,000, but £433,000 less was employed in Treasury Bills, a drop in income of about £8000.

Talk about the relative prosperity of banks and industrial enterprises is so much eyewash. In the first place, the industries referred to are controlled by the same interests, which have their headquarters in the banks. What is lost on the swings is gained on the roundabouts. It does not matter two hoots to Sir James Elder whether the profit of Goldsbrough, Mort outstrips that of the Union Trustee Co. or the National Bank. He occupies the throne or a seat near the throne in all three concerns.

Directors of the National Bank are Sir James Elder (chairman), Sir Frank Clarke, T. C. Alston, Esq.; H. G. Darling, Esq.; D. York Syme, Esq.; and Sir Henry Chauvel, all of whom grace several other important boards.

In the second place, even such a highly placed banker as Reginald McKenna has had to complain that the average disclosed net profit of a bank is an artificiality, arrived at after substantial writing down of bank real estate and assets.

To take the National Bank balance sheet we find the following deliciously vague information.

"To expenses at head office, 335 branches and 110 agencies, £870,208/17/5;

"Investments, British and Australian Government, and other stocks (at or under market value), £4,302,997/15/10."

Real estate and bank furniture all appear at figures representing cost, *less amounts written off*. It is a safe bet that the purchase, building, maintenance and improvement work carried out during the year has actually *increased* the value of the banks real estate holding. Yet that value has been written down by £50,000, which means that £50,000 or more of actual profit has been sidetracked from shareholders and frozen.

Banks do not like to appear too prosperous now that the community generally is coming to recognise that bank control of money policy is the cause of their misfortunes. Moreover, bank employees are seeking better wages and conditions, and no bank would, at the present stage, like to publish a spectacular balance sheet.

There are, of course, a few confidential bank employees who know the true position of the profits made by banks. We were privileged to see the grimace made by one of these when bank employees' salaries were reduced early in the depression. He remained true to his oath of secrecy to his employers, and kept his mouth shut. The more fool he. If

All bank employees would only pull together they would quickly have the banks where they want them.

The bank has followed the usual practice in that it has not distributed (Continued on page 8.)

THE PRINTED WORD
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Appeal Extended For ONE WEEK

SPECIAL LETTER FROM BRUCE H. BROWN AND DR. JOHN DALE

Dear Reader, —

Four weeks ago we made an urgent appeal to readers for the sum of £500. Unfortunately that amount has not yet been received. At the same time, however, the response has been sufficiently encouraging to lead us to believe that you will not fail us, and to relieve the directors of the necessity for considering the immediate discontinuance of the paper.

For what has been done we tender our sincere appreciation, and are very touched by the magnificent manner in which the pioneers and newer stalwarts have risen to the occasion-many we know at considerable personal sacrifice. You yourself will know whether you are one of these, and whether these special thanks are intended for you.

Notwithstanding the encouragement we have received, and of which we have made acknowledgment above, we cannot conceal our disappointment that the NUMBER of responses was not greater. Compared with the known effective circulation of the paper the replies to the appeal are still small numerically. We had hoped that the burden would have been so spread by hundreds of readers, each taking one or two shares that it would not have fallen heavily on relatively few individuals. Every share applied

for means that our colours are fixed more firmly to the mast and that the regular appearance of our paper is more and more certain.

For this reason permission was sought to extend the appeal until May 27, and this was granted. We therefore make the strongest possible appeal to every reader who has not yet assisted to forward an application immediately for at least one share. This will entail the immediate payment of only 2/-, and future payments of 2/- per month for nine months. If you can manage two or more shares, please take them, especially as you have nine months in which to complete the payments. You may subscribe in the confident belief that the men and women conducting the paper for you have their hearts in the work and cannot be bought.

If you will support us in this way and thus relieve the hard-working staff of its worries over insufficient capital, you will not only ensure the regular appearance of the "New Times" but will find it increasingly effective in the war against the enemies of society.

Yours sincerely,

BRUCE H. BROWN
JOHN DALE

To The Secretary, New Times Ltd., Elizabeth House, Elizabeth and Little Collins Sts., MELBOURNE, C.1.

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I enclose herewith £.....being payment in full/part payment on account of these shares.

Name in full.....

Address.....

Occupation.....

SIN OR THE SYSTEM?

"Tom, Dick and Harry" Supported

A Letter to the Editor from BRUCE H BROWN

Sir—Last week you published an article from "Tom, Dick and Harry," in reply to the statement in an Oxford Group journal that "It's Tom, Dick and Harry's sin That's brought us to the mess

mess we're in."

The writers of that article have discussed the Oxford Group claims fairly and with becoming moderation, and concluded their comment with a reasonable and straightforward challenge. I sincerely hope that the recognised leaders of the Group will give earnest thought to the challenge and apply the first of their own principles to it—viz., absolute honesty—as suggested.

It should be needless to say that there is no opposition on my part to any sincere effort to improve the moral standards of society, and to encourage the application of the principles advocated by the Group. But in doing this we ought surely to put ourselves resolutely against the things, which render the practice of these virtues so difficult. Consequently, when we point out, as Tom, Dick and Harry have done, that the Oxford Group leaders are not making a proper distinction between a moral question and an economic problem, they must not look upon that as opposition. It is not. It is merely a friendly and sympathetic warning that, unless they do make that distinction, they will inevitably end up by having their organisation used for the protection of the very thing responsible for the conditions they are seeking to correct.

The Rising Tide

A few weeks ago, I received from an undisclosed source a copy of the publication, *Rising Tide*. It is splendidly produced and the pictures are interesting throughout, showing vividly to what a sad state of affairs world conditions have been reduced. But what struck me as peculiar was the entire absence of any non-pictorial reference to the two greatest evils of the day—war and poverty. War is the result of struggle for markets (places to sell) and poverty is the result of absence of money to buy with. The struggle for markets is caused by the fact that people of every country are short of money, and the people of every country are short of money because the financial system purposely keeps them short. Both evils, therefore, arise from the same cause. But somehow the Oxford Group adherents have got the idea that the troubles arise from the sin of poor Tom, Dick and Harry, and that if these ragamuffins would only mend their ways the financial system, with

which they have had nothing to do, would automatically produce different results. It is the same as saying that a tramcar would leave the rails and come over to the kerbside for us if only we weren't so sinful!

The Misguided "Young"

This reminds me of some correspondence I recently had with a leading Presbyterian clergyman (an ex-moderator), following a public report of one of his sermons, in which he had taken young people to task for breaking away from tradition. I pointed out that young people, in increasing numbers, are having their eyes opened to the swindling nature of the present monetary arrangements, and, unfortunately find it difficult to escape the conviction that the Church as a whole, by its inexcusable silence, has been a party to the perpetration of the fraud.

"A Sinful World"

In reply to my letter, I was informed that "all the remedies which have been suggested are inadequate to deal with the root-evil from which all lesser evils spring"; that, "of course, our monetary system—and any other system in a sinful world—is defective, and, of course, the Church, which consists of imperfect human beings, is also defective"; that "God judges, or He is judging today, the disobedience and selfishness of nations, institutions, churches, individuals"; that "to improve the system you must at the same time improve the people who are to work it"; and that "you cannot build a good brick house without good bricks, and the work of the Church is to improve the quality of the bricks (including itself as one of the bricks)." All of which was the repetition of the type of stuff referred to by Tom, Dick and Harry, and of the nature I have heard personally from several preachers making no secret of the "change" which had come to them through the influence of the Oxford Group. It was, therefore, no surprise to receive the "reply" by return post with the half-apology that the literature I had sent had only been glanced over hurriedly!

Who is to "Blame"?

Naturally, I wrote again, pointing out that I did not blame the Church for the present troubles of the world, because I know that the money system is to blame, but I did hold many of the Church leaders guilty of betraying humanity by their almost criminal silence regarding the cause of the troubles.

I not only blamed the present monetary system, but stressed that this very system is actually the root-evil from which the lesser evils spring, and went on to say:

"You may be right in saying that the world is sinful, but the fact of the matter is that most of the sin arises from the cause I have already named. It is not correct to suggest that the financial system is defective because of a sinful world. For example, if the postal system did not work satisfactorily, we would soon have it changed, but any suggestion to change the most unsatisfactory system of all (finance) is vehemently discouraged, and the Church leaders, as you know, have taken a somewhat inglorious part in this attitude. There is also little wrong with our electric light system, even though it is being worked by sinful men in a sinful world. The fact is that, if the system is right, there will be no need to worry much so far as results are concerned about the people who will work it."

God's Judgment

Regarding the assertion that God is judging the nations for their disobedience, etc., it was suggested that God is being blamed wrongly in this, and that the conditions in the world are the inevitable outcome of our financial arrangements, in the establishment of which God had nothing to do. Mankind is as God made it, and at heart is good. Most of the objectionable things attributed to mankind are the result of the ungodly conditions under which mankind is being forced to struggle. These conditions have been brought about by a few people and not by God at all. If it is God's judgment we are experiencing, then God is punishing the innocent multitude for the crimes of the guilty few. I do not believe it."

Working the System

Then, as to the people who are to work the system, it was pointed out "if every person in the world were perfect they would still require food to live, and they could not get it without money. Therefore, whoever controlled money would still control the perfect people. Anselm Rothschild understood this perfectly when he said: 'Permit me to issue and control the money of a country, and I care not who makes its laws.' After all, we do use bricks for building houses, not money, but we stupidly allow the controllers of money to control the use of the bricks."

It is thus clear that if we are to accept the Oxford Group publications as being the work of inspired men, whose thoughts and ideas are God-controlled, then God has no immediate remedy for poverty. Indeed, God must be supporting the very forces arrayed against Himself! This is too absurd, for it is obvious that, under a proper distribution of what He has so freely given, there would be no such thing as the dire poverty we see around us today.

Phraseology Causes Suspicion

Without casting doubt upon the sincerity of the rank and file of those who are looking to the Oxford Group for some worthwhile leadership, I have to confess that some of the phraseology the "leaders" of the movement employ fills me with suspicion. Consider the following, from the *New Leadership*:

"The problem of unemployment confronts statesmen all over the world. It demands both a long-term policy, to which all nations must contribute . . . The fulfilment of God's plan is true employment. In it an authority is found which is adequate to ensure a just distribution of the world's resources; through it the individual learns the spirit of sacrifice, which is the essential prerequisite for economic sharing."

A world authority to parcel out the earth's resources! The very thing for which the bank for International Settlements

was established! The very purpose for which the bankers have sought to establish a League of Nations, with a military force sufficient to impose its will on all countries! The "individual" is to learn the spirit of "sacrifice" as if he has never heard of it, and this is an essential prerequisite! Have they had the tip that God has decided to change His ways and intends in future to withhold the sunshine, the rain, and all the other wonderful things He has been showering upon us? This must be so, as, otherwise, what are we likely to be so short of that individual sacrifice will be called for?

The Advocates of "Sacrifice"

This is precisely the sort of stuff we have been hearing from bankers and paid economists. It is the sort of thing Sir Josiah Stamp is celebrated for, and he is a mouth-piece of the Bank of England, the very institution which is responsible for the existence and continuance of dire poverty in the midst of great material plenty, and the very institution responsible for the conditions which bring about war. It is the sort of stuff we have been hearing from Archbishop Head, Mr. Lyons, Professor Copland and Mr. Casey.

Financial Oligarchy Well Represented

How is it that the leaders of a movement, ostensibly designed to spread honesty, purity and love, are saying the same as those who are actually preventing the general practice of honesty, purity and love? These thoughts led me to make some inquiries, and it was no surprise to find that one of the principal world leaders of the movement is a member of the financial oligarchy, which has kept the world in servitude and misery. He is a co director of the Bank of England with Sir Josiah Stamp. Not only so, but he is also a director of the banking system in Norway, Sweden and Germany. I refer to C. J. Hambro, who is usually described as the President of the Norwegian Parliament—not as one of the controllers of finance!—And is highly praised by the Rev. C. Irving Benson, of Wesley Church, Melbourne. If we change a man's heart, that will not give him more purchasing power, and purchasing power, which is vital to his existence, is not controlled by God, by the man's heart, or by his sin, but by C. J. Hambro and his fellow-directors of international finance!

Play on Certain Words

In addition to all this, it has been pointed out to me that the journals of the Group play almost continuously on the words, "pride," "prejudice," "fear," "greed," "selfishness" and "hate," and even go so far as to declare, quite untruthfully, that "*human wisdom has failed*." One of my friends has commented on this aspect as follows:

"If the desire to live decently, to bring up healthy, robust children, in hygienic surroundings, to be free from financial embarrassment, to avail ourselves of the benefits science has made possible, to long for a full and free life, is selfish and sinful, then we must plead guilty. But, strangely enough, our confession of guilt does not bring remorse, for it remains to be shown what disturbing influence our 'sinful' desires have upon the standard of living of, say, the Japanese or any other nation. All our wants can be met in Australia, either from her own resources or by the friendly exchange of goods with other nations. Neither the common people of this land, nor of any other, have evil designs upon their neighbour. Therefore, the Group must look elsewhere for the monster that drives innocent, peace loving people to wage war among themselves. We must declare most emphatically that our 'selfishness' is not even remotely connected with the cause of war, and that those who make the accusation that it is are uttering a vile and wicked slander."

I agree wholeheartedly with that view. Human wisdom has not even been tried, and the same C. J. Hambro is one of those responsible for not allowing it to be tried.

No Argument Permitted

Another strange thing about the Group is that its adherents are not permitted to argue; they may only "witness." At a church meeting recently one of the gentlemen present took me to task for so strongly criticising the financial system, and suggested that if I looked more deeply into my own personal shortcomings I would find little time to be worrying about what I called the money swindle. We should be "witnessing" about our own wonderful experiences. That, according to him, is the all-important thing. This particular gentleman had never met me before, and knew nothing at all about my personal habits, but if he could turn attention on me he would divert it from himself and from the true cause of "the mess we are in." You see the intention: We are to be thoroughly unselfish, but should confine our conversation to witnessing about ourselves!

Familiar Names

Then there are others who profess to be impressed and "uplifted" by the Oxford Movement, and allow their names to be used on that account for personal notoriety and "absolute" propaganda. I refer particularly to Mr. B. B. S. Stevens, Premier of New South Wales, and Mr. T. W. White, Minister for Customs, in the Federal Government. According to *Smith's Weekly*, of 18/9/37, these two gentlemen had sent special "messages" to Mr. Frank Buchman, the widely advertised leader of the Movement. The messages, together with "statements" from the Archbishop of Canterbury, Chiang Kai-Shek, and the Marquis of Salisbury, were circulated throughout the world. This is a strange trio. The Archbishop of Canterbury is a personal friend of Montagu Norman (Governor of the Bank of England) and Pierpont Morgan; Chiang Kai-Shek is a member of the family controlling the Bank of China; and the Marquis of Salisbury is a beneficiary of the existing swindling system of finance. From this we see that while professing adherence to, and practice of, the principles of absolute honesty, absolute purity, and absolute love, they betray their countrymen to the members of the financial oligarchy.

Their "Messages"

Read their "messages," as follows: Mr. Stevens, who for some years has helped to force the Australian people into a condition of financial servitude: "I trust that this great movement and the principles for which it stands will spread as bushfires spread and capture the imagination and the lives of people until they are directed into the right channels." Presumably the right channels are those, which lead to individual sacrifice for the benefit of the financiers! Mr. White was even more definite. He said: "I intend to apply the Oxford Group principles to my personal and political life, realising it is the needed solution to personal and political problems and the welfare of the world." After Mr. White had written in that strain he made untrue statements from the public platform, and still uses his public office to keep us chained to a fraudulent system of finance, which is overwhelming us with irredeemable debt.

For these reasons it is patent that we are *not* suffering because of our sin, but because of an obsolete and discredited money system, and for the same reasons it is patent that the remedy lies within our own hands. It is Parliament's function to see that the system is put right, and we must see that only men prepared to carry out the will of the people are returned to Parliament.

Yours faithfully,

BRUCE H BROWN

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(A SIGN OF SERVITUDE)

and

NATIONAL INSURANCE

(A MESMERISM BY SYMBOLS)

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P.E.P. (Political and Economic Planning)

By D. J. AMOS, F.A.I.S.

In the year 1930 Mr. Montagu Norman, Governor of the Bank of England, was giving evidence before the McMillan Committee.

He told the committee very emphatically that the national salvation of Britain lay in the "unification or marriage of finance and industry."

This "marriage," it appeared, meant in practice the formation of gigantic combines and amalgamations, and Mr. Norman explained that his idea was not just the formation of ordinary mergers, but the taking charge of industries, "practically as a whole."

Origins

From the evidence of Sir Ernest Harvey, Comptroller of the Bank of England, it further appeared that in or about October, 1929, when the world depression was bringing stocks and shares crashing down in value, that the bank had set up a "Securities Management Trust" to buy up control of industrial concerns at these low prices. Mr. Norman, moreover, informed the Committee that this first company had been broadened out into a larger instrument of control, named "The Bankers' Industrial Development Coy." and its capital was provided partly by the Bank of England, partly by the big acceptancy houses in London, and partly by foreign investors. Its duty was to arrange schemes of merger, and to dispose of shares in the newly reconstructed and amalgamated industries to those worthy of receiving them. At the head of this company was Sir Guy Granet, partner of Higginson and Coy, international bankers, and in close association with Lee Higginson and Coy, of Boston, one of the five firms constituting the inner ring of the U.S. Money Trust.

Mr. Montagu Norman went on to state that the object of the company was to "assist industry towards the goal of nationalisation," it being taken for granted the industry wanted to be assisted to that goal. As a matter of fact, most British industries, who had by 1931 survived the deflation brought about by the Bank of England, were in a tractable state of mind, and far-seeing bankers commenced to point out to them that the path of wisdom lay in handing over control of their businesses to these huge combines, and to threaten to cut off their supplies of credit if they did not do so. (Sir W. H. N. Goschen, head of the National Provincial Bank, admitted this in his evidence.) But, although the "Bankers' Industrial Development Company" and its friends and supporters in banking circles could do a great deal towards assisting the industrialists of Great Britain to hand over control of their properties, yet there were limits to what could be achieved. Stiff necked, obstinate Britons still remained in possession of factories and enterprises, and refused to be ousted from control by all the financiers from London to Jerusalem and back again.

This situation had to be met. It meant that coercion had to be applied, but, in law-abiding England, that involved Acts of Parliament and much undesirable publicity. The position was a delicate one and demanded a delicate method of dealing with it. Such a method was finally discovered.

A Word to Conjure With

From 1931 onwards a word in the English language gradually became a word to conjure with. That word was "planning." From all sorts of quarters we were told that the only way out of the interminable and mysterious difficulties afflicting the world was to have a "planned industry" and a "planned economy."

Articles and letters on "planning" began to appear in the

daily papers. Conservatives commenced to hold forth on "planning" as a way to avoid Communism. Communists and Socialists advocated it as a way of getting rid of Capitalism. "Planning," in short, was in the air, and it appealed to all that numerous class of amateur and professional economists who know what the people need so much better than the people do themselves. As time went on it was discovered, by certain obscure publications which dig into things that are not intended to be dug into, that "planning" was really a very precise and definite programme, quietly propagated from a modest and retiring little bureau calling itself "P.E.P." (Political and Economic Planning).

Personnel, Power and Secrecy

The first chairman of P.E.P. was the late Sir Basil Blackett, director of the Bank of England. Its second was Mr. Israel Moses Sieff, head of Marks and Spencer, a great chain-store concern. Its secretary for some time was Mr. Kenneth Lindsay, a Fabian Socialist, who entered Parliament in 1933, and was "sent over the heads of everybody to become Civil Lord of the Admiralty."

P.E.P. is powerful, and its approval is a passport to preferment. Its supporters include a long list of eminent people of all political colours, from deepest red to purest white, among whom we find the Right Hon. W. Elliott, Minister of Agriculture; Lord Melchett, of Imperial Chemical Industries; Sir E. Iliffe, of the London *Daily Telegraph*; Sir Walter Layton, of National Mutual Life Assurance Co., and also our old acquaintance, Professor Eugenheim-Gregory, of the London School of Economics. The members of its political group hold their meetings in a private room in the House of Commons, but, like most potent forces in the world today, this little group of planners shuns the limelight. To selected recipients, and to them only, they busily issued broadsheets containing instalments of the Great Plan, with the caution that whatever use was made of the contents, "neither the broadsheets nor the group were to be publicly mentioned either in writing or otherwise." Finally, in a more lengthy document, called "Freedom and Planning," the main outlines of the plan were given. This document was circulated in 1932, and the complete text will be found in Mr. A. N. Field's book, "All These Things," which everyone should read. It contains models for all the various Marketing Boards, Chartered Corporations, Advisory and Planning Boards, which have since been created by the National Government in England.

A New Feudalism

The underlying idea is one of compulsion—coercion, nationalisation and expropriation—all leading to feudalism and inevitable slavery. Industry is to be organised into great corporations, each controlling one section of industry, with still greater corporations above, handing down finance and directions.

The industrial corporations are to do all the managing for industry and commerce. They are to own or license the individual factories, farms or shops (for everything is to come into their net). They will tell the manufacturers, farmers, etc., what they are to produce and how much they are to produce.

They are to take the produce and sell it, and the price at which it is sold will be what the industrial corporations and the powers above think fit to fix. "Surplus" producers will be wiped out, closed down, and sent out of business. New people will be blocked from starting in business unless it suits the controllers to give them a licence to

do so. These great corporations are to have powers of compulsion and punishment within their own sections, and also drastic powers to transfer ownership of large blocks of land—"not necessarily of all the land in the country, but certainly of a large proportion of it"—into the hands of the corporations, public utility bodies and land trusts.

Bank of England's Role

You will notice that there is a great similarity between the ideas of P.E.P. and the ideas of Montagu Norman for forming giant combines to take charge of industries, "practically as a whole." These huge corporations of P.E.P. could only exist if hand-fed with finance from above. "Freedom and Planning" is quite explicit as to where this finance is to come from. "The Bank of England," it says, "is a leading example of a public-utility corporation, devoted to rendering public service, and it would appear to be sufficiently flexible to enable it to adapt itself to filling its place in the new order without requiring any radical change in its constitution." On the political side, however, we learn that big consequent changes will follow in the machinery of Government.

P.E.P. and the New Deal

In her book, "Waters Flowing Eastward," Mrs. Fry expresses the opinion that P.E.P. in Britain and the N.R.A. and New Deal policies in America are identical, but the method of execution is different. In the U.S. the public is being stampeded and brutally coerced by the hidden powers behind the New Deal, whereas the English must be dealt with slowly and asked to forego freedom, in the name of patriotism. Both methods produce the same results, the concentration of all material resources in the hands of a small group of financiers (mostly Jews), the lowering of our standard of living, and complete physical and moral degradation. Mr. Walter Elliott, Britain's Minister for Agriculture, is reported in the *Vienna New Free Press*, 24/6/34, as having stated: "The new economic order has already developed father in England than is generally realised. I think we have even attained more in this direction than the United States, with all their codes."

He spoke no more than the truth, for P.E.P. was already in action in England, through the agency of the following organisations:

The Milk Marketing Board,
The Pig Marketing Board,
The Electricity Grid,
The British Broadcasting Corporation,
The Import Duties Advisory Board,
The Town and Country Planning Board,
The United Steel Companies Ltd.

All these concerns were simply instruments for keeping prices paid to the producers down, and prices paid by consumers up. The latter end was achieved by limiting supplies, and, although a large percentage of the population of Great Britain was actually suffering from malnutrition, milk was poured down drains, fish thrown back into the sea, and farmers fined for producing more than the boards allowed.

In November of 1934, Lord Melchett introduced the Industrial Reorganisation (Enabling) Bill into Parliament to overcome certain legal difficulties to forming huge corporations of the type advocated by P.E.P. The Bill was thrown out, but immediately the Industrial Reorganisation League was formed to bring pressure to bear upon businessmen and members of Parliament, in order to obtain support for its principles.

The Servile State

Edward VIII of England horrified at the sufferings inflicted upon his people, publicly stated that the restrictive policy of the financial interests must cease. They retaliated by forcing him to choose

between the woman he loved and his crown. He abdicated, and P.E.P. went on remorselessly. If it succeeds in its aim of establishing a complete monopoly of Britain's industry, commerce and social services—and, as we have seen, large portions of it are already in practice—then individual freedom will be lost beyond recovery, not only in Great Britain, but in the British Commonwealth (or is it Commondebt?) of Nations also, for what is done in Great Britain will certainly be brought about by the same methods in the Dominions beyond the seas. The servile State will be an actual fact, and once established it will be an extremely difficult thing to replace it by any other, for servile States, of necessity and automatically, produce servile men.

The times demand, imperatively and immediately, an economic system which, by its distribution of purchasing power and the establishment of machinery to ensure a just price for all commodities, will enable the people, by their purchases, to plan their own economy and shake themselves free from the clutches of P.E.P.

WAR

"I often think, too, of another opinion I heard expressed about war, not by a Pope or a Prime Minister, but by an ordinary soldier on the evening of July 1st, 1916, which was the first day of that battle of the Somme. He was a stretcher-bearer, and he had lived through the hell of bombardment which had fallen on our crowded trenches before the attack, and then he had seen the hundreds of fine young fellows lying dead in rows where the machine-guns had caught each wave that morning, and all day he'd been toiling hard bringing down shattered and wounded men, and at the end of the day he threw himself on the ground for a few minutes' rest, and uttered his own opinion about war from his very heart. 'A bloody mug's game!' he said. And so it is.

"And yet—and yet—here we are, all the nations and ourselves as much as any, all feverishly working night and day getting ready for precisely that appalling calamity, only a hundred times worse. And I suppose we in Birmingham are even rather pleased about it, in our pathetic, short-sighted, self-complacent way, because it brings us more orders and more work, and more wages, and keeps us so busy that we haven't time to think what it is all about or what it is going to lead to."

—Fr. F. H. Drinkwater, of Birmingham, in one of his *Seven Addresses on Social Justice*.

New Times SHOPPING GUIDE and Business Directory

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MELBOURNE (Cont.)
(Continued from page 3.)

KEW.

IMPERIAL DAIRY. R. H. Kent, 9 Brougham Street. Haw. 3243.
LADIES' Hairdresser. Haw. 5605.
"Burnie Salon," 81 Cotham Rd. M. J. MARTIN, 157 High St. Haw. 3794. Shoe Store, Shoe Repairs.
MOTOR GARAGE. Kew Junction Service Station, Cr. High & Denmark Streets. Haw. 6457.
RADIO EXPERT. J. G. Littlewood, 267 High St. Also Elec. Appliances.

KEW EAST.

WATCH, CLOCK & JEWELLERY REPAIRS. I. Pink, 16 Oswin St. WICKER & Pram Repairs. L. Pavitt, 2 Hale St. Pick up and deliver.

MORELAND.

BOOT REPAIRS. J. T. Nolan, Holmes St., 4 drs. Moreland Rd.

NORTHCOTE.

GRAY A JOHNSON Pty. Ltd. Leading Land and Estate Agents. 742 High Street, Thornbury.

PARKDALE.

RADIO REPAIRS AND SALES. C. Barnett, 19 Herbert St. XW2031.

SANDRINGHAM.

A. RYAN, opp. Stn., Shoe Repairs. Tennis Racquets Restrung from 7/6.
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CONFECTIONERY and SMOKES. Gibson's, Bay Rd., opp. Theatre.
GROCERS. MCKAY & WHITE. Bay Rd., opp. Theatre. XW 1924.
HAIRDRESSER and Tobacconist. A. E. Giddings, 13 Station St.
HOME MADE CAKES. F. TAYLOR. 21 Bay Rd. XW2048.
LIBRARY. 5000 BOOKS.
COUTIE'S NEWSAGENCY.

ST. KILDA.

HARVEY'S COFFEE GARDEN. Sweets. Smokes. 227 Barkly Street

SPRINGVALE.

DAIRY, M. Bowler. Buckingham Ave. R. MACKAY & SONS. General Storekeepers. UM 9269.

WILLIAMSTOWN.

DON B. FISKEN, Baker. 122 Douglas Parade.
DUNSTAN, DAIRYMAN. 28 Station Rd. Phone, W'town 124.
HAIRDRESSER and Tobacconist. C. Tomkins, 165 Nelson Pl., 76 Ferguson St.

WINDSOR.

E. COOKE, 49 Chapel St. W. 8044. High Class Butcher (Cash).

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ELECTORAL CAMPAIGN NOTES

VICTORIA

ERIC BUTLER 'phoned from Bendigo that his motorbike has let him down again, and he has to complete the journey to Melbourne by train. He said that the Ouyen meeting was all that could be wished, and well worth the journey up. The attendance was larger than he thought possible to muster in a country centre. After his address, the audience prolonged the meeting for an hour by asking questions. Eric considers the Ouyen meeting to be the most encouraging and successful meeting that he has addressed.

KOORYONG. -- Arrangements for the Camberwell Town Hall meeting are working to schedule. The Mayor of Camberwell has consented to take the chair, and the combination of speakers is well balanced. The Kooyong Campaign is a "live wire" Campaign. Street speaking takes place in the business centre every Friday night, and the Town Hall meeting is announced to the listening and the passing throng. Next Friday evening, May 20, there will be a barrage of *New Times* sellers, whose melodious voices will acquaint the populace of the merits of the *New Times* and also of the monster meeting to be held in the Town Hall. On Sunday morning, at 10 o'clock, there is to be a distribution of back numbers of the *New Times*, folded to bring in clear view the notice of the Camberwell Town Hall meeting. Supporters who would like to assist can come along to the corner of Prospect Hill-road and Burke-road on Friday evening. Those who can help financially are asked to send in their help immediately. The more of this class of help there is, the bigger the show will be.

DR. DALE TO SPEAK, May 22. Dr. John Dale will speak at the Unitarian Church, Grey-street, East Melbourne. The subject of the address will be "Slums."

BIBLE CLASS ADDRESSED. —Kooyong-road Methodist Church, Caulfield, invited Mr. Bruce Brown to address the young men's class on Sunday afternoon, May 15. An invitation extended to the young women's class to attend was accepted. The address was given in the church to an attendance exceeding Mr. Brown's expectations. "The earnest attention with which the young folk listened to my remarks gave me the most pleasing impression that I have ever received when addressing a meeting," was part of Mr. Brown's comments when asked how the address was received.

HENTY ELECTORATE has become restless, and is demanding that activities be started immediately. Already the restless spirits are arranging a preliminary meeting with the object of holding public meetings at Ormond, McKinnon, Bentleigh and Moorabbin. Their contention is

that Groups can be formed from these meetings and a strong force be organised to work the whole electorate. Sir Henry Gullett please take notice.

GET TOGETHER MEETING held on Wednesday evening, May 11, took the form of a debate, which gave ample opportunity for those present to gain confidence in themselves by asking questions and disputing the validity of answers received. These meetings have become very popular. Every second Wednesday evening. The next on May 25, in the Rooms, McEwan House.

YOUTH MEETING was held in the Rooms on Monday evening, May 16. Good work was accomplished in deciding to get out a leaflet explanatory of the objective of the Youth Section of the U.E.A. A good deal of attention is being given to answering, or commenting on, pertinent matter in the press. Youthful energy will be out in Kooyong on Friday evening. The meeting concluded with a short debate on national insurance. Next Monday evening, May 30, it is desired that all turn up—arrangements to be made for work at the Camberwell Town Hall meeting of May 31.

FOR YOUR REFERENCE BOOK. —Taking the population as a whole, more than half have no income; but this includes babies in arms, so it therefore is necessary to consider only the breadwinners:—

1933 Census.	
Weekly Income.	Percentage of Breadwinners.
No Income	10.6
Under £1	29.8
From £1 to £2	18.4
From £2 to £3	12.2
From £3 to £4	10.2
From £4 to £5	7.9
Over £5	10.9

"It is evident that no proposal for further borrowing will be approved unless it is accompanied by definite indications that the Governments are doing all things necessary to reduce their expenditures in keeping with the conditions of the times. This would involve a reduction in their establishments, with consequent additions to unemployment, but the resultant unemployment is secondary . . ."—Bank of New South Wales, 1932.

During 1929 and 1932 Federal borrowing was reduced from £50 millions to nil. During the same period:—

Bankruptcies increased from 2145 to 4645.

Unemployment increased from 9% to 30%.

Suicides increased from 785 to 943.

Marriage rate dropped from 7.43 per thousand to 5.96 per thousand.

"We have indeed no need to concern ourselves further with the excuses for a continuance of the party machine. Nothing remains in practical politics but for

the practical politician to destroy the system rapidly and thoroughly. The alternative—a free parliament, the ancient theory of national deliberative Assembly, is there underlying the evil. All we have to do is to make the party system impossible, and that end will be accomplished when sufficient number are awake and demanding the real privileges of their franchise."—"The Party System," Hilaire Belloc and C. Chesterton; 1912.

"The Bank of England, and no other power in heaven above or earth beneath, is the ultimate arbiter of what our money supply will be."—Reginald' Mc-Kenna; 1932.

The Commonwealth Statistician, Dr. Roland Wilson, has announced that the grand total of taxation collections in Australia for 1936-37 reached the new record level of £108,303,392. Taxation per head was £15 15/4, an increase of 9/- over the previous year. These figures exclude taxation paid to municipal bodies, and special authorities, such as water supply and sewerage boards.

WEST AUSTRALIA

FIRST OF NEW FORT-NIGHTLY MEETINGS. —The first of the meetings that will henceforward be held in the rooms every fortnight was held on Thursday, May 12. This meeting was addressed by Mr. R. Rushton.

All are invited to these meetings, particularly the ladies and the more youthful members of the movement. The object is to have informal discussions on the philosophy and technique of the movement, with occasional lectures and addresses on interesting subjects appertaining to it. This is a great opportunity for you to improve your knowledge on these matters as well as to meet your fellow-workers for this great cause; so make a point of always being there.

POSTER CAMPAIGN. — An endeavour is being made by the Acting Director of Campaign, Mr. V. J. Dury, to launch a poster campaign. We have at our disposal an artist, who is prepared to create the posters if we find the finance to hire hoardings to exhibit them.

The value of posters, as a means of propaganda for contacting large numbers of people who could not otherwise be got at, has long since been recognised by commercial enterprise and politicians, and if such a campaign can be successfully carried out by the movement, its value will be enormous.

The cost of large hoardings in the metropolitan area, suitable for this purpose, is about 7/- per week, or 1/- per day, so that a comparatively small weekly outlay could bring big results by way of propaganda. Funds for this purpose are now required, and any person desiring to assist can forward, as soon as possible, any contribution to H.Q., Room 31, Bon Marche Buildings, Barrack-street, Perth.

Letter to the Editor

FACTS EVERYONE SHOULD KNOW

Sir, —Under the heading, "Facts Everyone Should Know," a contributor to the *New Times* of last week sought to assist your readers to correct opinion concerning the economic problem and solutions put forward to meet it. The "facts" and conclusions put forward by your contributor are of so extraordinary a nature that I am unable either to allow them to pass or to comment on them fitly in detail in a letter of this kind. I, therefore, confine myself to a number of propositions giving an alternative view of the problem in hand, and hope that the clash of versions may help to shed a light where light is urgently needed:

1. Money comprises tokens (legal tender) and book entries, expressed in terms of those tokens, both of which are generally acceptable in payment of debt. . 2. Legal tender money in use in Australia amounts to approximately £55,000,000; book-entry money to something under £200,000,000.

3. Legal tender money is made by Government authorities to meet demand. The cost of making is the cost of materials and services.

4. Book-entry money is made by the Commonwealth Bank and the private trading banks. The cost of making includes the cost of materials and services, plus the cost of holding legal tender to meet likely demands.

5. The amount of book-entry money in use, made by the Commonwealth Bank, is relatively small, and the bank declares that it is unable to regulate total supply. Trading banks increase and diminish supply according to ratios designed to protect themselves. In doing so they largely determine the demand for legal tender.

6. An essential to the economic well being of Australia is a system by which a single authority is responsible for keeping money supply at a level consistent with the interests of the people as a whole.

7. "The interests of the people as a whole" does not imply production and distribution to the "maximum," but to the limits set by either abilities or desires.

8. Money supply should be regulated to the desired end, in the light of economic factors, as they vary from time to time.

9. When new money is to be put into circulation, it belongs to all citizens equally and should be issued accordingly.

10. If a choice must be made between liberty and economic well-being, liberty is to be preferred. Under the ideal monetary system restrictions on individuals will be reduced to the minimum.

C. ELLIS.

Kew.

[Apart from the figures in item 2, there is little in this letter from Mr. Ellis which is at serious variance with the "facts" published last week. The Commonwealth Government Gazette of 5/5/1938 gives particulars showing that the Commonwealth Bank and the trading banks hold deposits exceeding £385,000,000, and this figure is entirely exclusive of the deposits

THE NATIONAL BANK'S PROFIT

(Continued from page 4.)
fully even its disclosed profit.

The balance sheet figures disclose all the usual features of trading bank bankruptcy. If depositors started a run on the bank a small portion only would receive payment. There is not enough in cash and so-called liquid resources to pay even current depositors. Owners of fixed deposits would find that their deposits were very fixed, and Sir James Elder would be able to sneer at them, as well as proponents of money reform, that they owned but a negligible proportion of Australia's real wealth.

In delivering his speech from the throne this year, Sir James confined himself rigidly to the bank's own business. It is possible that one of his fellow-monopolists has quietly tipped him off to keep his mouth shut. Either that, or Sir James feels old age creeping on.

THE GREAT LIE

"Right at the threshold of life, at the point of every trivial or great action, individual or national, this financial embargo is present—the current lie of our civilisation poisoning all truth. For it is a Lie—the Lie of poverty honoured in every legislature and contradicted in every material fact. The man who thinks that a lie, palpable, absurd and penal, can be the basis of human association is something less than wise."

—The late Will Dyson.

"THE FARMER"

From early morn till late at night,
Working hard with all his might,
Sowing crops as fast he can,
For the benefit of man.

His brow is wet with honest sweat,
Producing food we cannot get;
To "feed His lambs" he has no chance
Under this rule of sound finance.

He sallied forth to join the ranks
With a loan he borrowed from
the banks,
His mortgage now cannot be met
Under this rule of perpetual debt.

Struggling, with his spirit broken,
Onward through life he goes;
Having to sorrow and to borrow
Till the day of his last repose.

—B. Roke.

in the savings banks. It is, therefore, difficult to reconcile this with "something under £200,000,000." And when we have production and consumption to the limits set by abilities or desires, then, obviously, we will have the "maximum." - Ed., N.T.]



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