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Every Friday 3d

Revolution or Reform?

Prime Minister Provokes Primary Producers

During the past few years we have frequently pointed out that, unless the Commonwealth Government of this country took the initiative in averting the complete financial collapse of the primary industries, there would be a possibility of Australia experiencing a civil revolt. The present position of the wheat industry in particular is pregnant with dangers of far-reaching consequence. Unless handled properly, it may provide the excuse for Mr. Menzies and his reactionary Government to place the whole Commonwealth under a complete dictatorship.

If the wheatgrowers will only realise their tremendous power if they use constitutional methods, they will see that they are now in the unique position of being able to force the present Government to really face the money-swindle. Furthermore, they have the sympathy of the rest of the community, who are finding the present financial system, with its crushing debt and taxation, almost unbearable.

WHY PRODUCE WHEAT?

The object of production is consumption. In other words, the wheat farmers grow wheat believing that people desire to consume it. But the right to consume, in the modern world, depends upon the amount of money in the pockets of the people. For many years it has been painfully obvious that the supply of money in the pockets of the people has been chronically insufficient. The result has been that the wheat-farmers, along with the rest of the primary producers, have been finding it impossible to dispose of their produce at a payable price.

But Mr. Menzies and our other "leaders" blithely ignore this matter. Mr. Menzies does not seem to realise that wheatgrowers produce a great deal of the *real* wealth of this country, and that such wealth should be fully monetised, without any residue of debt to a private monopoly. He apparently prefers to support the present swindle, whereby the producers of real wealth do all the work, and go further and further into debt to the private banks in the process. Neither does he show very much real concern about the possibilities of the wheatgrowers obtaining a price for their produce, which will cover the cost of production, plus a reasonable profit.

Possibly Mr. Menzies realises—and we must agree—that, as far as his seat in Parliament is concerned, it does not depend upon the support of wheat-farmers. We suggest to the wheatgrowers that they do not want to waste too much time concerning themselves about Mr. Menzies. They want to make their own parliamentary representatives become real representatives of *their* policy, not the policy of Mr. Menzies and his financial friends. Now is the time for every elector in the wheat areas to tell his Member of Parliament that unless he presses vigorously at Canberra for the adequate financing of the wheat industry through the Commonwealth Bank, without further taxation, he will be looking for another job after the next elections. The threat of a majority

block of votes in their respective electorates is the only thing which really influences most members of Parliament.

Should the wheatgrowers carry out their threat not to deliver wheat unless they obtain a payable price, we may see Mr. Menzies, with the aid of the militia, endeavour to put into practice the powers, which the Wheat Board undoubtedly has. If the wheat-growers resist, we will then face a dangerous position, which, as mentioned previously, may give Mr. Menzies the excuse to impose further dictatorial measures under the National Security Act. And, in view of the world glut of wheat in spite of war, we are suspicious enough to believe that the Government may welcome this atti-

(Continued on page 8.)

SHAW ON WAR

"Make Peace Instead of Mischief," Says G.B.S.

BRITAIN'S "MILITARY COMMUNISM" CASTIGATED

In the course of an article in "The New Statesman and Nation," the irrepressible George Bernard Shaw unburdens himself as follows:

"Poland surrendered and laid herself at Herr Hitler's feet. He was able to say that as Poland's cause is lost we have no further excuse for continuing the war. Whereupon we threw off the mask of knight-errantry and avowed flatly that we did not care two hoots about Poland, and were out, on our old balance of power lines, to disable Germany, which we now called abolishing Hitlerism . . .

"Meanwhile, we are enduring all the vagaries, from mere discomfort to financial ruin and the breaking up of our homes, of the ineptest Military Communism. Powers which no Plantagenet king or Fascist dictator would dream of claiming have been granted to any unqualified person who offered to assume them, in-

cluding an enterprising burglar. Whatever our work in life may be, we have been ordered to stop doing it and stand by. Wherever our wives and children are, they have been transported to somewhere else, with or without the mothers. Our theatres and cinemas have been closed: and our schools, colleges, and public libraries occupied by the military bureaucracy. We have been bundled out of our hotels into the streets neck and crop, and our own houses simultaneously made into nests of billeted little evacuees, often unofficially described as little hooligans. Our bungalows, bought by us after a careful calculation of our ability to pay the mortgage interest and pet to our

(Continued on page 5.)

"WHERE IS THE MONEY TO COME FROM?"

Governor of Bank of Canada Gives Evidence

"Anything Physically Possible and Desirable can be Made Financially Possible"

In view of the progress now being made in Canada, as well as on its own account, interest attaches to the public Hearings before the Committee on Banking and Commerce respecting the Bank of Canada, during which the witness for the Bank was subjected to cross-examination. The witness was the Governor, Mr. G. F. Towers, and the principal cross-examiner the well-known "Gerry" G. McGeer, K.C., former Mayor of Vancouver.

The evidence before the Committee during the session covered thirty sittings, and the printed proceedings over 850 pages. As the Hon. Mr. Dunning, Minister of Finance, said at the concluding meeting, "he had not attended the sittings but had read every word, and could not find for three or four pages an answer to any question." To get the more important statements by Mr. Towers and others, drastic condensation is therefore necessary. In the following, the page number of the Proceedings is given in order that those sufficiently interested may refer thereto for context and minor qualifications if there should be any. It should be borne in mind that the statements made or agreed to by Mr. Towers are those of the Governor of a government-owned central bank, the Bank of Canada.

HOW GOVERNMENT CAN OBTAIN MONEY

Mr. Towers: A Government can find money in three ways: by taxation, or they might find it by action which is allied with an expansive monetary policy—that is, borrowing, which creates additional money in the process.

—(P. 29.)

PURCHASE OF GOVERNMENT BONDS BY BANKS

Q.: A banker can purchase a Dominion Government bond by accepting from the Government, we will say, a bond for £1000 and giving to the Government a deposit in the bank for £1000?

Mr. Towers: Yes.

Q.: . . . What the Government receives is a credit entry in the banker's book, showing the banker as a debtor to the Government to the extent of £1000?

Mr. Towers: Yes,

Q.: And in law all that the bank has to hold in the way of cash to issue that deposit liability is 5 per cent.?

Mr. Towers: Yes.

—(P. 76.)

BOOKKEEPING ENTRIES

Q.: Ninety-five per cent, of all our volume of business is being done with what we call exchange of bank deposits—that is, simply bookkeeping entries in banks against which people write cheques?

Mr. Towers: I think that is a fair statement.

—(P. 223.)

THE REAL USE OF GOLD RESERVE

Q.: . . . The need for a currency gold reserve was today largely psychological, so far as domestic currency was concerned?

Mr. Towers: As far as domestic currency was concerned; yes.

Q.: Then I take it that you would agree . . . the finds of the . . . British MacMillan Committee, Sec. 148 . . . as follows:

" . . . It is not necessary that the volume of note issues should continue to be regulated (Continued on page 6.)

War And The Professional Man

A Trust And A Challenge Disregarded

The Deans, Masters, Wardens, Rectors, and What-nots of our Colleges and Universities have for generations reminded their charges, the present and coming professional men of the community, that they are the salt of the earth, that their advantages in education and upbringing are not the lot of lesser mortals, and that their duty to give service to the community in return for privileges enjoyed is correspondingly onerous. In short, society is entitled to look to them for real leadership and for sustained service of the very highest order, particularly where clear and hard thinking has to be done.

Have the professions discharged this trust? No person can possibly allege that our social and economic mechanism is working so smoothly and well, and producing such desirable and satisfactory results, that it merits neither study nor improvement. It is clearly the duty of the professional men to give it this study and suggest and work for improvement.

WHAT THE PROFESSIONAL MAN SHOULD NOT DO

It is clearly not the function of the professional man simply to accept the system as it is, and to devote his whole wit to the increasingly severe struggle to keep his own individual head above water, meanwhile salving his conscience by refraining from pushing more heads under in the struggle than he has to.

ONE UNIVERSITY MAN DISCHARGES HIS TRUST

In Great Britain during the first World War a Cambridge graduate was placed in charge of a huge aircraft factory, with particular instructions to keep his eye on the vicious spiral of rising production cost, which troubled the factory and every other producing concern in the country, and, if possible, to ascertain its cause.

He did ascertain its cause, but not without first having to enquire into and digest the whole problem of money-issue to a community through industrial production, and its recall through prices, investment and taxation. His research showed him that there were fundamental faults in modern methods of handling money and in modern methods of cost accountancy, and that those faults, while capable of rectification in any one country, were to be encountered in every country in the world. In short, here was the one common factor which operated in all countries—in victor countries, in vanquished countries, in creditor nations, in debtor nations, in "democratic" countries, in dictatorship countries, in lands given over almost entirely to secondary production, and in countries devoted preponderantly to primary production. It mattered not that the inhabitants were white, black, brown, yellow or brindled. So long as there were human beings to prey upon and place in pawn, and a banking system to prey upon them and place them in pawn by a system of numerals which invariably tots up the debit side of the ledger much faster than the credit side, even though real wealth is increasing. A system of which debt was and is the outstanding feature, and its by-products were and are, to an increasing extent, depression, regimentation, servitude, degradation, and starvation, with war and death as the only offered alternative.

And the cure? Simply to make the numeral system self-liquidating; to allow each country to pay its way; to allow citizens financial access to the plenty which they, ever more and more assisted by the heritage of knowledge and equipment handed down by their forebears, can produce; to make distribution less and less dependent on employment and wages, as machines

and solar energy do more and more of the necessary work; to remove once and for all the economic urge of man to cut his neighbour's throat, and of nations to struggle and make war for markets and employment; to provide markets in the only places where markets ever can exist—that is, in ladies' handbags and gentlemen's trouser pockets; to assure that new goods coming into the shops and salesrooms are represented by equivalent ready money in citizens' control.

This university graduate, in truth, discharged the trust placed upon him by his training and upbringing. He did not claim that the money problem was the only problem to be solved in the modern world. But he did claim that until the money problem had been solved no other outstanding problem was capable of complete and satisfactory solution. He proclaimed, above all, the sanctity of the individual, that individual freedom was a necessary prerequisite to a sound social order and that the basis of true individual freedom is unquestionably economic.

DO PROFESSIONAL MEN FOLLOW?

A few doctors, a few lawyers, and a few of other professions have grasped and endeavoured to spread knowledge of these principles.

The majority of our professional men have failed, and are failing, woefully in their duty to themselves and their fellow-beings. Their only concern is to fit into the framework of bank-engendered money-scarcity with as little loss of shabby gentility as possible.

THE LEGAL PROFESSION

The legal profession, for instance, has, through its official institute and committee, assured Prime Minister Menzies, K.C., P.C., LL.M., M.A., of its loyalty, etc., and, instead of demanding of him that incomes of warrior members of the profession must be made up by the sovereign Government at least to peace-time level, have hit on a scheme which will not require the bankers to write additional figures in their books, and will surely result in additional poverty for lawyers who fight and for lawyers who stay at home. In "backward" Japan, the citizen-turned-soldier does not suffer financially.

The bright scheme is this: Mr. X has been playing at soldiers for so long that he cannot with decency now wriggle out of military service, or Mr. X has never taken the trouble to think it out that the slaughter of another eight million British, French and German people will only make the world safer still for Wall Street and Moscow. He enlists and becomes a hero, paid at

the rate of a few shillings per day (with no refreshers). His wife and children not only lose the pleasure of his company, but are deprived of his income, which even in peacetime had been hardly adequate to maintain existence on a modest professional scale: for "the law" is a very much overcrowded profession in this State of Victoria.

In the absence of Mr. X, the solicitors who used to like him sufficiently to deliver to him those sheets of paper, longitudinally folded and auriferously endorsed, known as briefs, will now have to brief some other counsel. Always assuming, of course, that the business of the solicitor is maintained, and he still has work requiring the assistance of a barrister, and clients able to pay for that assistance. So the briefs are delivered to Mr. Y, who announces in court that he appears for Mr. X, "on war service," and who is bound by honour (Bar rules, you know) to pay one-third of his fee to the clerk of the absent Mr. X.

It is surely noble to safeguard the practice of Mr. X during his absence and restore it (if any) to him on his return (if any).

The whole point, however, is that the procedure hit upon by our brilliant lawyers is only necessary if we accept the basic assumption that there is only so much money in the community, and that human action is powerless to alter that situation. That basic assumption is a lie, and, what is more, it is a lie, which was fully exposed by counsel in the Waterlow Case, and by

round the hats, boys; and slice one-third off for Mr. X. But don't, at any price, remind Bob Menzies of Section 51 of the Constitution, or of the horrible minority judgment in the Waterlow case, which stated that banks acquire things for nothing and that money is a costless creation.

THE MEDICAL PROFESSION

"Scheme for the protection of professional incomes." This is the heading of a circular put out by the B.M.A. to members of the medical profession.

Now, if the professors taught that the way to treat measles was to expose the patient to strong, glaring lights, to alternate overheating with violent chills, and to feed him with the heaviest diet possible, and the general practitioner followed this prescribed treatment and lost his patients with unfailing regularity, he would discard the form of treatment immediately and work out a better treatment. If the "experts" could not help him, he would write them off as a lot of dunderheads, and use his own powers of intellect and training.

In the sphere of economics he is, unfortunately, loath to adopt the same proper attitude. The professors, the bankers, the subsidised press and political yes-men have informed him that there must be no alteration of the banking system, and that peace and prosperity may be secured by alterations of the exchange rate, expansion of public works and capital expenditure, economics and drawings-in of the belt, by export drives, by inflations, deflations and reflations; and he has watched them try the whole box of tricks without a murmur, but always with the disease worse than it was before the treatment.

In face of this, are our doctors clamouring for the application of a really scientific remedy for money-shortage? Are they, like Eric Linklater's dentist, declining to render professional services to bankers and economists until those worthies really do something to put Australia's house in order? Are they working tooth-and-nail to have their patients freed of the effects of economic strain, poverty and insecurity?

Or are they, too, like the lawyers, fitting into the framework of orthodox finance as best they can; taking round the hat for collections from those practitioners who do not go to war to mend the bits and pieces of shattered humanity, but stay home to look after the poor wretches half-starved in peace?

The B.M.A. circular indicates clearly the attitude of official "medicine." It is to cling tight and take round the hat, and to let the whole bloody business go on, this generation, next generation, and for ever more; the doctors always repairing, or trying to repair, the ravages of "sound finance" in peace and in war but never raising their voices to have the whole crazy procedure stopped.

WHO DOES PROFIT FROM WAR?

It has been well said that the only people who profit from war are armament manufacturers, contractors for war supplies, and ladies of the oldest profession. That is in the monetary sense. But there is in the background a section of the community, which draws from war a profit far more dear to it than a money profit. It draws a dividend of power. It puts a millstone of debt round the necks of the belligerents and enslaves the

(Continued on page 8.)

SARCASM

One of our readers recently sent a letter concerning banking and credit to the Melbourne "Age," and was very surprised to receive the following anonymous letter, written on R.A.C.V. notepaper, the following day:

"Mr. T. H. Holcombe,
"Your 'Age' letter will be enough out of you. What the heck do you think we got the war up for, anyway? Higher the taxes, the poorer the mug people get. The poorer they get the tamer they get. They are so tame now that we can turn them at will on to anyone who says a word against us. We are over all. The earth is ours and all that is therein, including the people—until they wake up to our great money trick. —Yours, etc.,

"The Reigning Racketeers.
"(Sole owners of the exclusive right to manufacture all the World's Money.)"

at least two of the learned Lords (not including the banker, Lord Macmillan). If our barristers are a bit touchy about being seen with a copy of "some money-crank's outpourings," they can, at least, look at the Court of Appeal Law Reports in safety.

If they have time to forget for one moment about the Factors' Act, the Dog Act, and the countless other acts, which distract their attention, they should read what Lord Russell had to say in this case. They might also have a look at Section 51 of the Commonwealth Constitution, to see what powers the Parliament led by Robert Menzies really has with regard to banking, currency, and money generally. For the peace, order, and good government of Australia! But, no! Pass round the wigs, boys! Even if prices rise and incomes don't. Pass

INTERNATIONAL FINANCE AND ITS FIGHT FOR WORLD DOMINATION

Plot Against British Empire

By ERIC D. BUTLER

(1.)

Much has been written and much has been said about the startling ramifications of International Finance and its fight for complete world domination. Events over the past few years have given thinking people more than sufficient evidence upon which to build their investigations. But in view of certain moves being made and certain views, which are receiving quite an undue amount of publicity of late, a comprehensive survey of the story and development of the power of International Finance in practically every country of the world may prove some sort of a guide to the rapid march of events.

Possibly the most significant move being publicised in various quarters at the present juncture is the agitation for some sort of an International Government; and the utilisation of the crisis in Europe to foster this idea. For various reasons many sincere people are accepting this idea as a solution to the problem of war. That is why the mania of International Finance for some sort of a centralised world government must be exposed and opposed most vigorously. Our fight against the Internationalists can only be fought in Australia. Australia is one of the countries, which can best stand up to the pressure for submission of national government to an international government, if we only realise the gravity of the situation. A further step in the plan to bring this country under the tyranny of such centralisation of power is now being attempted. I refer to the move for the Abolition of State Parliaments. All over the world Finance is working for more centralisation of administration. This achieved, it is then an easy task to control the centralisers, and through them the whole of society.

THE WORLD-CENTRE OF FINANCE

The close student of the history of the International Financiers knows that the centre of administration has changed many times. At the time of Napoleon the Rothschilds dominated the position on the Continent. However, the transfer of power to London gradually took place until early in this century, when the power of the New York group, centred in Wall Street, began to assume tremendous proportions. During and since the last war, the latter has rapidly increased its power, particularly over the destinies of the British Empire. This was accomplished when they gained virtual control of the Bank of England and all its ramifications. Even powerful banking groups, such as J. P. Morgan and Co., sink into insignificance compared with the Kuhn, Loeb and Company group, which came out of the last war with the British Empire largely under its indirect control; financed and exploited the Russian Revolution: operated in Japan from 1900 onwards until they were ejected, and have been for some time engaged in an attempt to finally establish themselves in China, where they first started in 1892. The same group assisted Hitler to power, but he has apparently been one of the very few national leaders who has tried to work contrary to their plan. The controller of this group is Felix Warburg, whose father, Paul Warburg, was well known as the "Father of the United States of America Federal Reserve Board."

The history of this group is more than interesting. Before the war a *de facto* dictatorship was imposed upon the policy of the United States of America by the "concentration of banks" controlled by Warburg. There was such a public outcry that President Wilson, who was a protégé of the Kuhn, Loeb and Co. group, was forced to set up a commission of enquiry. The findings were little short of astounding. A banking trust did exist. It included five principal banks, as well as numerous financial and industrial groups scattered throughout America and other parts of the world. In adding together the capital sums represented by the banks which formed part of the "trust" and by businesses dependent upon

them, the commission arrived at the astronomical figure of 22,245,000,000 dollars. In 1912 all this money-power was controlled by one man, Jacob Schiff. The reader can well imagine the amount now being controlled, after almost forty years of intense activity and exploitation in all parts of the world.

The commission concluded its report by saying: "The powerful grip of these men is placed upon the lever which controls all credit, and its wheels turn or stop at their signal."

Ironically enough, the effect of the report was used to advantage by the banking group to resurrect a scheme put forward by Paul Warburg in 1907. This scheme was the formation of the Federal Reserve Board, which, in fact, further tightened the grip of Kuhn, Loeb and Co. In regard to that body and its power, I can do no better than to quote the opinion of Sir Josiah Stamp, a Director of the Bank of England, who, in an interview published in the *National Bank Monthly* for February, 1926, said: "Never in the history of the world has so much power been vested in a small body of men as in the Federal Reserve Board. These men have the welfare of the world in the hands, and they could upset the rest of us either deliberately or by some unconscious action."

This is the group which has fomented the present conflagration, as a part of their fight for complete world domination, and one can understand the suggestion, put forward in Britain by one eminent thinker, that the best way to avoid the complete destruction of Europe would be to threaten a few selected individuals in New York with a small part of the suffering they seem so keen to impose on the rest of the people. Unfortunately, these individuals are very modest in their actions and very rarely figure in the limelight. Like most reptiles, they prefer the dark, where they can work quietly—and effectively.

FINANCE AND THE LAST WAR

When the last war broke upon Europe in 1914 the New York group saw their opportunity to move forward in their plan for world domination. One of the most significant statements on record in connection with that conflict was made by Mr. Walter

Hines Page, then U.S. Ambassador in London, when he cabled President Wilson upon the outbreak of war. He said: "The British Empire is delivered into our hands." The result of the war was to prove the truth of this statement. While much of the cream of Britain's manpower was dying in France, the debt to the American bankers, who were making tremendous profits, was steadily rising. Those Britons who survived active service came home to start paying tribute to this group by way of taxation, and still more taxation.

In his book, "America Conquers Britain," published in 1930, Mr. Ludwell Denny, a well-known American banking authority, wrote: "Many nations may laugh at our State Department, but all must tremble before our Federal Reserve Board . . . High money rates in the United States of America early in 1929, for instance, forced an increase in the official bank rates at once in England, ten European countries, in two Latin-American countries, and two in the Far East: and in almost every case that action restricted business and brought suffering to millions of foreign workers. *That blow hit Britain hardest of all.*"

This statement clearly indicates a situation in which this body is enabled to hold in the hollow of its hand the welfare, not only of the United States of America, but also—while monetary policy is dictated from outside a country's borders—of the whole world. An international Government would further strengthen this domination by the International Group, while further weakening the power of the people in any country, such as Australia, to break the stranglehold. Nationally, we are finding the task a tremendous strain on our limited resources. Internationally, it would be hopeless.

Possibly one of the most significant statements on public record in connection with the power which the International Financiers obtained as a result of the last war, was made by Mr. Otto Kuhn, of Kuhn, Loeb and Co., at Ottawa in 1923, when he said: "There was a short period after the war when we were very anxious. But we now have the situation well in hand." Whether Mr. Kuhn was speaking literally or not has been a moot point. But there is no doubting the fact that they now

"have the situation well in hand." Whether the stranglehold can be broken is the urgent problem confronting civilisation.

BRITAIN CONQUERED BY WALL STREET

Sir Cecil Spring-Rice, British Ambassador to the United States during the war (until February, 1918), when speaking of the Wall Street group, called Mr. Schiff "the arch-Jew," pointed out that he and Mr. Warburg dominated the Wilson Administration, and *were working to get control of Britain.* This and other enlightening information will be found in "The Letters and Friendships of Sir Cecil Spring-Rice," published in 1929.

The first step towards obtaining control was the rise of Mr. Montague Norman to Governorship of the Bank of England in 1920. Prior to this, Mr. Norman had been a very obscure member of the London branch of an American banking firm. Immediately upon his rise to the Governorship, Dr. Oliver Sprague, of the Federal Reserve Board, was sent over from America to help him with his task. When Mr. Montagu Norman went to America to discuss the question of the War Debts he was accompanied by Stanley Baldwin, who immediately afterwards had a meteoric rise to the Prime Ministership of Great Britain, and played such a traitor's role in reducing Britain to a second-rate Power. Possibly, his crowning feat, on behalf of the financial gang who brought him to power, was the part he played in having Edward VIII forced off the throne because of his challenge to the financial oligarchy.

When Mr. Montagu Norman returned with the Debt Settlement, Mr. Bonar Law, Prime Minister of Britain at that time, is reported to have said: "If I sign this I will be cursed for generations." Nevertheless, it was signed, and the tragic story, up until the present time, is one, which is painful to all those British citizens who pride themselves that they have a democratic Government, which can represent the wishes of the people.

Although the Government of Britain pawned the nation to the private banks during the last war by borrowing what it had the sovereign right to provide itself, the fact remains that production

(Continued on page 5.)



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ROCKS AHEAD!

What is going on in Australia? Really, the present course the ship of State is following is disturbing; indeed, alarming. It gives cause for grave concern to those who have pride in, and love for, this country, and who set some store by the ideal of economic and political freedom. Patience is being strained to a dangerous point, as instanced, not only by the dissatisfaction of the "workers," but by the portentous murmurings coming from a large section of the business community, and, in a marked degree, from the wheat, wool and fruit growers of Australia. Elsewhere in this issue the position of the wheat, wool and apple industries is referred to. For the present purpose it will suffice to again draw attention to the recent regulations proclaimed which take from the individual, or company, the right to appeal to the public for financial assistance to establish a business or to expand an existing business; or to employ the common practice of financing capital requirements by the periodical influx from instalment payments on shares. Such regulations are an example of how government is being alienated from the people's Parliament, and dictatorship being insidiously imposed. "What is going on in Australia?" is explicitly answered by extracts from a Canberra report appearing in the "Argus" of November 18 (the emphasis is ours): "Although plans are still immature, it is possible that the Commonwealth may, by referendum, seek to extend to peace time the wartime powers given under the National Security Act to a wide range of matters relating to trade, finance, price control, and general regulation of industry and business. A referendum some time before the end of the war would be necessary to ensure a continuance in peace, time of the National Security Act powers concerned. Ministers recognise while there is always great difficulty in effecting constitutional amendments in peace time it may be possible to undertake a substantial revision of the Constitution under the stress of war conditions. Among the powers, which the Commonwealth would seek, would be those relating to marketing, which were refused two years ago. It would probably also seek sufficient power over industry and production to enable it to undertake control, and, if necessary, limitation of production, to make plans for the stabilisation of primary and other industries effective."

These predilections expose wanton abuse of the finer feelings of human nature. Propaganda is used to condition the emotions of the populace into accepting what, in normal times, would not be countenanced. The war is fast assuming the role of a pretext for the financial oligarchy to establish unassailable political dictatorship and to place all industry and production under a new and a more rigidly managed system of their control. They dare not call off the war for fear of losing their control during peace. Under their new system the populace would be scientifically regimented on a pattern similar to that being employed in Germany. At the moment the military camps are in lieu of concentration camps. As some factories and businesses are closed by the operations of wartime emergency measures, the dismissed employees gravitate to the military camps to join the army of previously unemployed who have welcomed the camp as a haven from the horrors of economic insecurity. And so the war goes on to safeguard justice and freedom and democracy from the baleful intent of the enemies of democracy!

The people of Australia still possess the all-powerful electoral vote with which to defeat dictatorship. The, instrument of the Electoral Campaign, whereby the individual elector gives instructions to his or her Member of Parliament to re-present the elector's WILL to Parliament, must be used. **Parliament exists to make the WILL of the people prevail.**

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WOOLGROWERS SACRIFICED

The following report appeared in the Melbourne *Argus* on November 16: "At the South African wool sales today 64's warp brought 29½ pence. The average price was 27 pence. The principal buyers were the United States and Japan."

Compared with the 13½ pence which the Australian growers expect to get, this report makes very interesting reading. Still, as our "leaders" say, we must be prepared to make sacrifices for the sake of "democracy"!

R. G. CASEY IN LONDON

"Like Paris Handsome, and as Hector . . .?"

By "THE WALRUS"

A plaintive cry has gone up in certain places at the lack of discernment of the London journalists who hail our Mr. Casey as the best dressed and best looking Australian politician. If that is all they can discover to say, observe the plaintive ones, they are wasting their time and ours, to say nothing of ink and paper. I am with them insofar as no one has pointed out the probable injury to Mr. Eden's feelings at the fuss being made of Mr. Casey, or the possible reactions of Mr. S. M. Bruce at having his spats thus rudely thrust into the background.

But is it, after all, such a little thing to be easy on the eyesight? Are politicians so distinguished as a class in other directions as to make a harmonious physiognomy such a negligible thing? I feel there is a certain amount of malice in the plaintive ones. I picture them with homely facial contours: I credit them with being the authors of such apothegms as "Handsome is as handsome does," and "She may not be a film star, but she's splendid to her Ma." I even doubt whether among them there is one who could achieve the distinction of ugliness, like the girl at the party who won the prize for the ugliest grimace when she wasn't playing, or like the village blacksmith who lost the prize in the same contest because a horse had kicked him in the face.

WHY CAN'T PEOPLE BE DECENT TO POLITICIANS?

If there is any grievance at all I should say it must be in the august Assemblies of our various Parliaments. By having one of their number singled out in this extravagant fashion, with no mention of runners-up or any field at all they can hardly miss the somewhat painful implication; and they must surely resent this exposure of their homeliness of mien. It is all very well for the Caseys and the Edens: they don't have to bother anyhow. But what of the 600-odd who wouldn't be noticeable anywhere except in a crowd of coons? Take away from them their claim to looks, and what remains? Only their feelings and a few tailor's bills. It's a pity people can't be decent to politicians. Their portion is so meagre. Not only that: they make things so uncomfortable for one another that there is no need for us to chip in with our opinion of their faces. We might as well leave them an illusion or two. They lose so many illusions one way and another on the backbenches, that they finish, poor dears, in a state of chronic bewilderment which prevents them from being able to distinguish the Mother of Parliaments from the Father of Lies; and they might conceivably fear that, if attention is focussed too strongly on their plainness, it might occur to the Cabinet to replace them with better-looking, "hextry gentlemen" from a musical-comedy chorus, especially as it probably wouldn't make any difference to the net benefit to the country.

PIPES AND SPATS

Anyhow, whether the backbenchers have a grievance or not, it's pretty evident that Mr. Casey hasn't. He would know that as soon as he was esteemed for something he hadn't earned he was on the way to being lionised—labelled for posterity, as it were. This label may prove to be important. It is doubtful, for instance, whether Mr. Baldwin's claim on history will ever be greater than that achieved by his briar pipe, or Mr. Bruce's more significant than spats. The day may come when people will say: "Casey . . . Casey? . . . Let me see . . . Oh, yes! . . . The good looker, wasn't he?" Well, that's better than nothing. In fact, it's better than a lot of things some rude people are saying already.

How would the plaintive ones like it if the crowd surged after Casey, hailing him as an armament prince? For his connection with the metal monopoly is just as real, if not as obvious, as his good appearance, though the announcement

of it might not enhance his popularity as an envoy on martial business.

METHOD IN MADNESS

So it is possible, after all, that the newspaper gents weren't so unsophisticated or frivolous as might appear at first sight. In fact, I feel bound to say that it is the plaintive ones who seem to show lack of sophistication. What would I not give to achieve the easy distinction awarded Mr. Casey in his negligent stride? The cry of my core is: "Give me recognition; if not of my work, then of my unfortunate appearance; my pawn tickets, if you will: anything at all so that it be recognition." Of no avail.

No, there's nothing for Mr. Casey to sing out about; and, between ourselves, he won't sing out either.

MELBOURNE "HERALD" BEGINNING TO SEE THE LIGHT?

Quite a few people were startled to see a half-page article entitled, "How Does the Government Get Money?" in last Saturday's Melbourne *Herald*. It was written by no less a person than the Finance Editor.

After dealing with the possibility of saving on social service expenditure in order to provide more money for the purposes of war, the writer goes on to say: "The remainder, the greater part, must be found by additional taxes, loans, and central bank credit."

"What are these Central Bank Credits? They are nothing but entries in a ledger account." This is a very interesting admission. Money reformers, who were pointing this fact out years ago, were dubbed cranks. The writer goes on: "But, for that matter, pound notes are only a few words written on paper. They are written by the right people of course. And so are the entries in the Commonwealth Bank's ledgers." And, we might also add, the entries by the private trading banks. We are not very concerned with who writes the figures. But we are concerned with who owns them when they are written. The *Herald* writer fails to suggest that as the figures are written against the real wealth of the nation, which the people have produced they should obviously belong to the people instead of being a debt upon which they are expected to pay interest for ever.

Still, there are signs of progress.

International Finance and Its Fight For World Domination

(Continued from page 3.)

and consumption were not rigidly tied to an artificial money shortage. It is only in times of "peace" that that happens. Although some 8 million men were withdrawn from production and actively engaged in destruction in France, the remainder of the population, using the labours of women and girls, was able to build up one of the greatest industrial machines the world has ever seen. After the war Britain was in a position to provide a standard of living never dreamt of before the war.

Those who may doubt the power of the International Financial group have only to review the history of what took place. Mr. Montagu Norman immediately put Wall Street's deflation policy into operation, and within three years unemployment figures rose from 240,000 to 1,900,000. Just think of it! A nation, which finished the war with an even greater industrial machine, reduced to chaos, within a few weeks by the orders of an outside group! The result of that policy has been the terrible conditions existing in Britain ever since, such as the depressed areas. Men who fought to "save democracy" were seen in thousands trying to obtain a living by selling matches on the streets or the like.

No wonder Mr. Bonar Law said that he would be cursed for generations. It is also of interest to note that the American financiers asked of Britain six times the financial tribute asked of the so-called defeated countries. The policy of Wall Street since that time has been the guiding power in the affairs of the British Empire.

Should there be some people who are still not convinced that Britain has come under the direct domination of the Wall Street group since the war, let us also briefly consider what happened in 1931. The memoirs of the late Lord Snowden, who was Chancellor of the Exchequer in the Ramsay MacDonald Labour Cabinet, reveal the fact that the Wall Street group demanded the reduction in the British unemployment dole. Lord Snowden said: "On Saturday, the 22nd August, the situation was hectic. The Bank of England submitted to Mr. Harrison, the president of the New York Federal Reserve Bank, the tentative suggestion for a reduction of unemployment payments . . . Mr. Harrison replied by telephone that, while he was not in a position to give the answer until he had consulted his financial associates, his opinion was that it would give satisfactory assurance."

This led the way for the break up of the Labour Government and the formation of the "National" Government, which reduced the dole, as ordered from New York. The same group, through their control of the Bank of England, were responsible for the visit of Otto Niemeyer to Australia to also give us our instructions; and still we talk about British freedom! The Empire is in the hands of an alien group, which knows neither country nor creed.

In passing, it is also interesting to note that the great General Electric Co. of America, which is a powerful subsidiary of the New York financial group, owns practically the entire electrical manufacturing industry of Great Britain.

THE BANK OF ENGLAND

There was never a greater delusion than the idea of the Bank of England being controlled by the British Government. In 1929, when the Macmillan Committee was making its investigations, one

of the witnesses, Mr. Samuel Gurney, was asked: "Is it not a principle laid down by the Act of 1844 that in all its dealings with the public the Banking Department of the Bank of England is to carry on its transactions with reference to its own interests alone, and not with any view to the public advantage?" The witness agreed.

Sir Ernest Harvey, Deputy Governor, in giving evidence, was much more to the point when he said: "The Bank of England is practically free to do whatever it likes . . ."

Although much time and money was spent in investigating the affairs of the Bank by the Macmillan Committee, very little was actually discovered. Mr. Paul Einzig, in his admiring biography of Mr. Norman, wrote: "The efforts of the Macmillan Committee to throw more light upon the machine of the Bank of England failed almost completely . . . Indeed, the evidence of Mr. Norman is a study in non-committal and evasive answers." Whether the ownership of the Bank is under direct foreign influence was never proved, but there is sufficient evidence to lead one to this conclusion. Lord Cunliffe, the previous Governor to Mr. Montagu Norman, was partner in the international banking firm of Goschens and Cunliffe, also connected with the Kuhn, Loeb and Co. group.

The post-war history of the Bank shows that the international atmosphere has become more pronounced. Mr. Norman was obliged to tell the Macmillan Committee that he had been devoting a great deal of his time after the war to two things. The first was "the stabilisation of foreign countries which had lost what they possessed before the war," and the second was the setting up of central banks in foreign countries. This is all in line with the idea of a central world-Government, controlled by the International Group.

In view of the crisis which occurred over Czechoslovakia last September, when the move to push Britain into war failed, it is more than interesting to read the history of the Bank of England's activities in that country, as revealed in Mr. Bruce Lockhart's "Retreat From Glory," published in 1934. From 1919 to 1922 Mr. Lockhart was Commercial Secretary at the British Legation at Prague. He says: "Before the war there had been a large bank called the Anglo-Oesterreichische Bank in Vienna—a Jewish concern with some English capital, and with branches all over Old Austria."

This bank fell into difficulties, and the Bank of England, to which it owed money, decided to put it on its feet again. Mr. Spencer Smith was representing the Bank of England, and upon arriving at Vienna had some difficulty, in which he needed the diplomatic services of Mr. Lockhart. Mr. Lockhart relates: "All the assets of the Viennese Bank were in Austrian Treasury notes, which had been deposited in Prague. While the Austrians claimed that the notes were entitled to be valued in Czech currency, the Czechs were equally insistent that they were not." Czechoslovakia had formerly used Austrian currency, but when this paper money became worthless in the inflation of 1921, the Czechoslovakian Government held up the value of their money, and on a given date separated it from Austrian currency by stamping all notes in the country with a Czechoslovakian brand.

"Unfortunately," says Mr. Lockhart, "the Jews in the A.O. Bank had been too far-seeing. Instead of sending the banknotes into Czechoslovakia on the given day, they had transferred interest-bearing Treasury notes. The Czechs had stamped the bank notes. Greed for interest had defeated its own ends. . . . If the 148,000,000 Treasury notes of the A.O. Bank had a Czech value they were worth over £1,000,000. If they had an Austrian value they were worthless. Without assets the Governor (of the Bank of England) could not go ahead with his scheme."

This was where the services of Mr. Lockhart came in. He was to try and persuade the Czechoslovakian Government to make this worthless pile of paper (if Austrian) into a million sterling (if Czech). The Government felt disinclined to do anything of the kind, but in the end gave the A.O. Bank a loan of 148,000,000 kronen at 1 per cent. Six months later, as a reward, the Czechs were allowed to float a loan of £10,000,000 in New York and London. In this manner that section of Central Europe, represented by the parties interested in the A.O. Bank, was brought under the control of the Bank of England.

Apart from his efforts at "helping" foreign countries, Mr. Montagu Norman also played a very important part in the establishment of the Bank for International Settlements at Basle in 1930. Mr. Einzig, in his biography of Mr. Norman, says: ". . . As usual, he remained entirely behind the scenes. . . . In spite of this, he had more to do with it than anybody else."

It would take far too much space to give in detail the interlocking of the Bank Directorates in Britain, but needless to say, the entire policy of the "Big Five" is controlled by the Bank of England.

The only time that its policy of keeping money scarce has been challenged was in 1928, when the Midland Bank imported some £6 millions of gold from New York, with the view to creating a credit expansion; but the Bank of England immediately counteracted this attempted interference with the official policy by sterilising the imported gold.

Apart from many activities in all parts of the world, the latest move by Mr. Montagu Norman for the formation of gigantic combines and amalgamations controlled by finance reveals an insidious attempt to get complete ownership of British industry. A Bankers' Industrial Development Company was formed in 1931, mainly from finance supplied by the Bank of England. At the head of this company was Sir Guy Granet, Mr. Montagu Norman's lieutenant, who, interestingly enough, was partner in Higginson and Company, (international bankers, associated with Lee, Higginson and Company, who were named in the American report on banking activities in 1912 as one of the five firms constituting the United States Money Trust. It is significant that all these gentlemen come from the good old International Banking School.

As far as Australia is concerned, most readers of this journal are familiar with the manner in which this country is tied up with the Banking Group in Britain. Apart from the fact that the Commonwealth Bank Board receives its fortnightly advice from the Bank of England, the Overseas Group in this country—the Bank of Australasia, the E.S. and A. Bank, and the Union Bank—is directly connected with the Bank of England.

The tremendous ramifications of the Bank of England and its subsidiary groups would take volumes to relate in detail, and yet, it, in

SHAW ON WAR

(Continued from page 1.)

place of business in a Baby Austin, have been put quite beyond our means by an appalling Budget, and by a rationing of petrol which aims at our complete immobilisation, just as the blacking-out aims at our being completely blind-folded from sunset to sunrise. When the bungalows and suburbs raise a bitter cry that they cannot pay the new taxes, Sir John Simon replies frankly that if they do not the Government will be forced to resort to inflation, thus reminding us that in Germany, when we forced the Reich to resort to it, a two penny-halfpenny postage stamp cost £12,000, and the postman's wage rose to a king's ransom on which he could barely live, while annuities and insurances, on which unmarried elderly daughters and retired folk used to live in decency and comfort, became worthless. Our incomes depreciate from week to week through the rise in prices, which the Government is pledged to prevent, and cannot.

"Such (and much more) is Military Communism in inexperienced hands, often the hands of fools, who come to the top in wartime by their self-satisfied folly, though nobody would trust them to walk a puppy in peace time . . ."

"And our remedy is to promise it three years more war! Next, to abolish Hitlerism, root and branch. Well, what about beginning by abolishing Churchillism, a proposition not less nonsensical and more easily within our reach? But, we are told, if we do not send Hitler to St. Helena, he will proceed to annex Switzerland, Holland, Belgium, England, Scotland, Ireland, Australia, New Zealand, Canada, Africa, and finally, the entire universe, and Stalin will help him. I must reply that men who talk like this are frightened out of their wits. Stalin will see to it that nobody, not even our noble selves, will do anything of the sort; and Franklin Roosevelt will be surprised to find himself exactly of Stalin's opinion in this matter. Had we not better wait until Herr Hitler tries to do it and then stop him with Stalin and Roosevelt at our back?"

" . . . As the Archbishop of York nobly confesses, we made all the mischief, we and the French, when we were drunk with victory at Versailles; and if that mischief had not been there for him to undo, Adolf Hitler would have now been a struggling artist of no political account. Our business is to make peace with him and with all the world, instead of making more mischief and ruining our people in the process . . ."

turn, appears to be under the domination of another group in New York, where, at the apex as it were of a number of great Banking Houses, is to be found the Wall Street group. No wonder that Sir Josiah Stamp said that six men in America had sufficient power to make or break the world. Before going on to deal with the activities of this group in relation to the present European situation, it should be of considerable interest to make a somewhat closer investigation into their activities prior to and during the last war.

(To be continued. Copyright Reserved.)

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(Continued on page 7.)

'WHERE IS THE MONEY TO COME FROM?'

(Continued from page 1.)

Ed, as it is now, by reference to the amount of gold held in reserve. If . . . the principle is adopted that gold reserves should be held, not primarily against note issues, but to meet temporary deficiencies in the balance of international payments, there need be no obstacle to the creation of a much increased volume of purchasing power without any increase in the supply of monetary gold . . ."

And since then there has been plenty of evidence that that theory has not been worked out, but is being more generally adopted as time goes on?

Mr. Towers: Yes.

—(P. 277.)

Q.: Now on page 112 of the MacMillan report, we find the following:

"The sole use of a gold reserve is therefore, to enable a country to meet deficits in its international balance of payments, until the appropriate measures can be taken to bring it again into equilibrium. . . ." And it could be done under the administration we have, and the attitude of our Government, without weakening our internal currency system?

Mr. Towers: Assuming that the need for expansion was a justifiable one. I would hope and expect that would be the case: yes.

—(P. 278.)

Q.: . . . Having the huge available money resources, which we are neither using nor abusing, the elimination of our gold reserve provision in our Bank of Canada Act would not alter the policy of the Bank of Canada or the Government at all?

Mr. Towers: No; in other words, that gold reserve provision is in no sense a hampering one, and I would not expect it to be in the visible future . . .

Q.: And if we eliminated that from our Bank of Canada Act, the gold provision of 25 per cent, as against Bank of Canada note issues, it would not affect the monetary policy or the monetary situation of Canada at all?

Mr. Towers: It should not; no. -

(P. 279.)

Q.: . . . The finds of the MacMillan Committee . . . in other words, they made a finding that the volume of purchasing power to be issued through the banking system was not necessarily to be limited by the supplies of gold; and, I think, we are in general agreement on that?

Mr. Towers: Yes.

ISSUE OF CURRENCY

Q.: . . . Twelve per cent, of the money in use in Canada is issued by the Government, through the Mint and the Bank of Canada, and 88 per cent, is issued by the merchant banks of Canada on the reserves issued by the Bank of Canada?

Mr. Towers: Yes.

G.: But if the issue of currency and money is a high prerogative of government, then that high prerogative has been transferred to the extent of 88 per cent, from the Government to the merchant banking system?"

Mr. Towers: Yes.

—(P. 286.)

CREATING NEW MONEY

Q.: When £1,000,000 worth of bonds is presented (by the Government) to the bank, a million dollars of new money or the equivalent is created?

Mr. Towers: Yes.

Q.: It is a fact that a million dollars of new money is created?

Mr. Towers: That is right.

—(P. 238.)

PAPER CURRENCY TO PURCHASE GOLD

Q.: Now, as a matter of fact, today our gold is purchased by the Bank of Canada with notes which it issues . . . not redeemable in gold . . . in effect, using printing-press money . . . to purchase gold?

Mr. Towers: That is the practice all over the world . . .

—(P. 283.)

BANKS ISSUE A SUBSTITUTE FOR MONEY

Q.: When you allow the merchant banking system to issue bank deposits . . . with the practice of using cheques . . . you virtually allow the banks to issue an effective substitute for money, do you not?

Mr. Towers: The bank deposits are actually money in that sense.

Q.: . . . As a matter of fact, they are not actual money, but credit, bookkeeping accounts, which are used as a substitute for money?

Mr. Towers: Yes.

Q.: Then we authorise the banks to issue a substitute for money?

Mr. Towers: Yes, I think that is a very fair statement of banking.

—(P. 285.)

POWER TO CHANGE THE BANKING SYSTEM

Q.: Will you tell me why a Government with power to create money should give that power away to a private monopoly and then borrow that which Parliament can create itself back, at interest, to the point of national bankruptcy?

Mr. Towers: . . . We realise, of course, that the amount which is paid provides part of the operating costs of the banks and some interest on deposits. Now, if Parliament wants to change the form of operating the banking system, then certainly that is within the power of Parliament.

—(P. 394.)

INCREASE OF DEPOSITS AND INFLATION

Q.: So that, with the increase of 500 millions of bank deposit money (from 1934 to 1938), we have not had any inflationary result?

Mr. Towers: Certainly.

PEACE CONFERENCE CAMPAIGN

The following report has been received from the Hon. Secretary, Peace Conference Campaign, Room 9, 5th Floor, McEwan House, Little Collins Street, Melbourne.

A marked feature of the campaign in this State during the past week has been the number of clergymen of all denominations who have taken the matter up in their churches and advocated the signing of the letters. Several of these gentlemen have called at the office, whilst a number have written very encouragingly to us from the country.

"A copy of our circular and the letter-form was given prominence in the *Ouyen and North-West Express* of November 10th, and we expect that publicity will be given by a number of other country newspapers with whom we have communicated.

"A number of supporters have complained about the unsympathetic references to peace efforts being made from Station 3AR by "The Watchman." In reply to a letter from one of our correspondents, this commentator remarked that he chose the subjects, which commended themselves to HIM, which explains why there is a big body of public opinion differing from his own.

"We suggest that listeners write

Mr. Towers: We have not. The circumstances of the time have not encouraged it.

—(P. 643.)

FINANCE IN WAR AND PEACE

Q.: . . . So far as war is concerned, to defend the integrity of the nation there will be no difficulty in raising the means of financing whatever those requirements may be?

Mr. Towers: The limit of the possibilities depends on men and materials.

Q.: . . . And where you have an abundance of men and materials you have no difficulty, under our present system of banking, in putting forth the medium of exchange that is necessary to put the men and materials to work in defence of the realm?

Mr. Towers: That is right.

Q.: Well, then, why is it, where we have a problem of internal deterioration, that we cannot use the same technique? . . . In any event, you will agree with me on this that, so long as the investment of public funds is confined to something that improves the economic life of the nation, that will not of itself produce inflationary result?

Mr. Towers: Yes, I agree with that, but I shall make one further qualification: that the investments thus made shall be at least as productive as some alternative uses to which the money would otherwise have been put.

—(P. 649.)

GOVERNMENT EXPENDITURE INDIRECTLY RECOVERED

Q.: You do not suggest that it is necessary that the Government should be able to recover the money that it invests in capital works, providing those works are beneficial to the country?

Mr. Towers: The Government indirectly really does recover, because what benefits the country will benefit the Government, and the Government revenue, even although you cannot see that this specific thing has done it.

—(P. 768.)

PHYSICALLY POSSIBLE AND FINANCIALLY POSSIBLE

Q.: Would you admit that anything physically possible and desirable can be made financially possible?

Mr. Towers: Certainly.

"The Watchman" and let him know that such is the case. The weakness in the case put up by "The Watchman" appears to lie in the fact that he has persistently done his best to identify the German PEOPLE with their Government. We understand that the A.B.C. now announces a new session called, "I Don't Agree," in which objectors to news commentators may send their criticisms in writing and have them aired. We hasten to also suggest that this opportunity should immediately be taken advantage of by listeners who disagree with the opinions broadcast.

"At a public meeting held at Bentleigh on Wednesday, November 15, and addressed by Mr. Eric Butler, unanimous support was given to the proposal to urge a Peace Conference, and a resolution was carried to that effect.

"Supplies of demand-letters may be obtained from the above address at 100 for 1/6 or 50 for 9d., posted to any address. We would urge your readers to assist others throughout Australia in distributing a few each in their own districts."

LETTERS TO THE EDITOR

BRUCE BROWN
WRITES TO THE
PRIME MINISTER

Sir, —Will you accept with my compliments copy of a letter, which was forwarded to the Prime Minister on the 11th November? I would suggest that readers of the *New Times* should also tell the Prime Minister and their respective members of Parliament that they regard the Government's action as a further betrayal of the people in the matter of finance. — Yours, etc.,

BRUCE H BROWN
Tusmore, Sth. Aus.

COPY OF LETTER TO
MR. MENZIES

Right Hon. R. G. Menzies, P.C.,
K.C.,
Prime Minister of the Commonwealth of Australia, CANBERRA, F.C.T.
Sir.

This letter is being sent in order to place on official record the fact that I and my family regard the arrangement with the banks for a private loan of £10 million as an act of treason. The treason lies in the fact that the Government has committed the community, which includes us and our descendants, to pay a tribute of £350,000 per annum to the banking system for exactly nothing, and that by so doing has given further official condonation, not only to the theft of the community's credit, but also to the fraudulent practice of "borrowing" it back again at interest. This conduct suggests that members of the present Federal Cabinet are either a group of dishonourable men or unforgivably ignorant on the all-important question of finance.

Yours faithfully,
BRUCE H BROWN

A WORD TO
TASMANIANS

Sir, —Through the courtesy of your columns I would like to make a direct appeal to all your Tasmanian supporters to help further the splendid work in which the Electoral Campaign headquarters in both Launceston and Hobart are engaged. In Hobart the splendid work of Mr. and Mrs. Guthrie is an inspiration.

While in Tasmania recently I was very impressed with the effort, which has been constantly made in Hobart. I am sure that

all Tasmanian supporters appreciate the wonderful work which Mr. and Mrs. Guthrie have carried out per medium of the radio. As far as I am aware, Tasmania has been the only State in Australia to broadcast, constantly and regularly, over the past three years of Electoral Campaign activity.

However, I feel that quite a lot of people do not appreciate the time, work and sacrifice which a comparatively few people make to keep these talks going. I would therefore suggest that all readers of this paper in Tasmania get in touch with Mr. Guthrie (c/o the Electoral Campaign, 101 Collins-street, Hobart), immediately, with a promise of a regular contribution to the funds.

Tasmanians are fortunate in having the services of such an able couple as Mr. and Mrs. Guthrie, whose understanding of political and economic democracy is widely recognised. I suggest that your Tasmanian readers help make their task easier. To those readers I would say: "We are at war—at war with the most insidious power man has even contended with. If you cannot come into the front line yourself, then supply the money-ammunition to help those who can and do."— Yours, etc.,

ERIC D. BUTLER.
Melbourne.

A TIMELY WARNING

Sir, —Referring to my previous letter, which appeared in your issue of September 29, concerning the danger of forming a "World Government" and the manner in which a plot of that nature would deprive the so-called democratic countries of the last remnant of self-government, I am enclosing for your perusal, two newspaper cuttings (one from the *West Australian* of November 10, and one from the *Daily News* of November 11), which may be regarded as "breaking the ice" for the suggestion of a world central Government.

Notice how "Grandma West" is attempting to disguise the move under the pretence of moral rearmament, and, whilst making certain irrefutable admissions, which vast numbers of people are beginning to realise, it nonetheless carefully conceals the real motive, and to lend more colour to the plot, it publishes the names of "Representative Citizens" of Western Australia, who have been induced to sign the "manifesto."

Fortunately, the *Daily News* was not so diplomatic. It bluntly announces that we have the choice of two alternatives. We must be satisfied to carry on as we have been doing, from war to war, or we must be prepared to "Give up our sovereignty to an international Government."

There is no beating about the bush in such a statement. It is an open declaration of the policy we may expect to be further enforced upon the public notice by the controlled press.

Whether or not the public will fall into such an obvious trap depends entirely upon the fight which independent papers like the *New Times* will be able to wage.

Now that the "claws" in the "velvet paw" are being exposed, it may not be inopportune to draw your attention to a few glaringly appropriate and startlingly true references to such a "Super Government," which appeared in "The Protocols of the Learned Elders of Zion." Put very briefly, we may summarise some of the sub-headings in that remarkable book as follows:—

- (1) "Political freedom is an idea, but not a fact."
- (2) "Our power will remain invisible until no cunning can undermine it."
- (3) "... Enable us to persuade the mob in all countries... through the power of the press."
- (4) "Killing out the goyim—Shortness of food—Economic crisis to throw upon the streets whole mobs of workers."
- (5) "When bankruptcy is universal, and the people are chained down by heavy toil and poverty, we appear on the scene, alleged saviours of the workers."
- (6) "Then will the hour strike—Revolutions—Corruption everywhere—Centralisation of Government and *New Laws*. Wipe out any goyim who oppose us by deed or word."
- (7) "Our secret hand in all agreements between nations."

A special reference is made to forming "An International Super-Government," causing the absolute slavery of the people for the right to exist, and having the power to "justify any abnormally audacious and unjust judgments, to be set forth in expressions of exalted moral principles cast into legal form."

It will be the greatest tragedy that ever befell the people, if they refuse to wake up in time to protect themselves and their few remaining liberties, before the right to do so is finally and irrevocably removed by the Money Power's Central Government.

It would require many pages to merely outline the terrible conditions that will be imposed upon us, if we allow such a thing to happen. There is no denying the fact that a reign of terror would be in operation to prevent and destroy any suggestion of revolting against the tyranny of the new regime.

I can only conclude by wishing your paper the best of luck, and by expressing my sincere wish that other independent papers will see the danger in time to come into the fight and give you all the assistance they possibly can, and thereby help to educate public opinion, in order that we will not be hoodwinked by the agents of Mammon, and find ourselves getting out of the frying pan into the fire.—Yours, etc.,

JAMES KELLY.
South Perth, W.A.

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MELBOURNE (Cont.)

(Continued from page 6.)

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SOUTH AUSTRALIAN NOTES

From Electoral Campaign Headquarters, 17 Waymouth Street, Adelaide

SENATOR DARCEY'S VISIT

On Friday, November 10, campaigners swarmed into Headquarters for luncheon in order to listen to an address from Senator Darcey. The Senator, who described himself as the most indefatigable talker in the world, spoke until long after the luncheon hour had passed, but every attempt on his part to stop, was met by entreaties from his audience to keep on talking. He told of the position of the movement in other States and at Canberra, and of how it was daily growing both in numbers and in importance. He emphasised the fact that the ordinary Member of Parliament understood nothing of the nature of money and credit, had the haziest ideas even of debt-finance, and, moreover, would never learn—except under the goad of perpetual pressure from the people. The result of the pressure-politics applied during the last couple of years had been very great. Two years ago he had been a standing joke in the Senate. That was by no means the case today. He had a small band of followers, which was increasing in numbers, and when he spoke his utterances were listened to with respect, even when his hearers disagreed with him. In his opinion, the financing of the country by interest-free credits was far more likely to be put in hand by the Labour Party than by any other, but even the Labour Party needed plenty of popular pressure applied to it, to make it tackle the problem of debt-finance—with its necessary consequences of interest bills and taxation—in earnest.

A public meeting had been convened to hear the Senator at 8 p.m., and once more the rooms were crowded to suffocation point, many people standing in the office and passage throughout the proceedings. The Senator, in an address on "War and Finance," dealt with the failure of the League of Nations to control International Finance, which had practically made the League its servant, whereas, of course, the reverse should be the case, he said. He considered the League an excellent piece of machinery for settling international disputes without war, but the necessary adjustments to the present financial system would have to be made before that machinery would be

allowed to function in the public interest. He then went on to discuss the evidence given by Mr. Towers, the manager of the Bank of Canada, before a recent commission, and pointed out that Mr. Towers, who, for a banker, seemed to be a singularly candid and straight-forward gentleman, had admitted the truth of practically everything which most monetary reformers had been preaching for the past twenty years, and which was still being denied and ridiculed by our so-called "financial experts" and bankers' "yes-men" in Australia today. This evidence of Mr. Towers, together with the admissions made in the Reports of the MacMillan and the Australian Banking Commissions, showed conclusively that present methods of finance were radically wrong, and were incompatible with the peace and progress of nations and the advance of our civilisation. In his opinion, these methods were very largely responsible for the present war, and, if unchanged, would breed more wars in the future.

The chairman, before closing the meeting, proposed a hearty vote of thanks to the Senator, which was carried by acclamation.

"DEFENCE WITHOUT DEBT AND TAXATION"

"The cry is still, 'They come.' " Honourable mention must be made of the results achieved by Mr. Hagan, of Ethelton, Mr. Sarre, of Adelaide; Mr. and Mrs. Moran, of Myrtle Bank; and Mr. Biddle, of Port Lincoln. A regular supply of completed demand forms is being received from the Citizens' Association of Peterborough.

"PROBLEM OR SWINDLE"

This pamphlet of Mr. Taven-der's is now on sale at the above address. Price (posted), 10d per copy; 5/4 per dozen. Profits on sales are to be used on educational work for economic democracy.

A NEW SUIT FOR CHRISTMAS?

The season of Christmas and New Year is very near now. It brings with it holidays and festive occasions when one wishes to look one's best. Those who are able to may contemplate a new suit, and will naturally desire to appear as resplendent as possible for a moderate outlay. The attention of our readers in and near Melbourne is drawn, therefore, to the advertisement of Mr. Frank Devlin in this issue. It speaks for itself.

Mr. Devlin's frequent advertisements help this paper to carry on. To our supporters, the inference should be obvious.

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Revolution or Reform?

(Continued from page 1)

lude. While we have the utmost sympathy with the present attitude of wheatgrowers, we point out that if the proper constitutional tactics are used they must win without providing the Government with any excuse to impose more "Hitlerism."

However, reverting to our original point, that the object of production is consumption, we would commend the recent suggestion that, if need be, a no-cropping campaign be conducted for the coming season. If the wheat-farmers emphatically told the Government that they refused to produce consumable wealth until they were already assured that a sane system of financing its consumption would be immediately introduced, then they would quickly bring the Government to see that it is appointed to control the financial system of this country in the interests of the people, as specified in Section 51 (a) of the Constitution Act.

APPLE AND PEAR INDUSTRY ALSO FACING CHAOS

The wheatgrowers are not alone in their difficulties. The apple and pear growers are also in desperate financial straits, and for the very same reason as the other primary producers. There is a shortage of money. That is only, of course, for such luxuries as pears and apples. It is only when we come to the common things of life, such as bombs and poison gas that we find that the shortage of money is not considered. Mr. Dalton, the Tasmanian Minister for Agriculture, is reported as saying that in Tasmania at least 1,200,000 cases of saleable fruit would be allowed to drop from the trees and rot on the ground because the producer was prevented not merely from selling, but even from giving it away, although it had cost him at least 2/- a bushel to produce it.

According to reports, the fruit growers are not in a very docile mood, and are determined to do something. Unfortunately, they do not seem to know what to do.

At a big meeting at Croydon, Victoria, Cr. Knee suggested that a deputation of 2000 men should go to Melbourne to submit their case to the proper authorities. We are afraid that, like nearly all other deputations in the past, this will prove a waste of time and money. The "proper authorities" are the Federal members of Parliament, and all the fruit-growers have to do is to unite with the rest of the electors in *demanding* that their respective Federal members get on with the job of "finding" the money from the Commonwealth Bank. Then they won't get telegrams from Mr. Hutchinson, M.H.R., as reported in the press, stating that the Government was *considering* a higher initial advance to growers. Mr. Hutchinson will either fight for what the growers want or he will be thrown out. The time for merely "considering" has long passed.

REVOLUTION OR REFORM?

All over Australia there is a growing discontent, but, unless the causes of the trouble and the constitutional method of getting results from Parliament are brought before the people, we may see the situation developing into internal strife, which, as history shows, will further remove the liberties of the people, and further entrench the financiers. This paper stands for democratic government, and we believe that a growing knowledge of the Money-Swindle and the proper function of Parliament is the only thing, which stands between liberty and slavery.

The immediate task confronting the electors of Australia is to help with any campaign, which seeks to allow the electors to govern themselves. Once that happens things will be different. If the country electorates will press for the results which the primary-producers want, they will lead the way in a move which will make even Mr. Menzies realise that he will either have to act appropriately or get out. He can have his choice.

WAR AND THE PROFESSIONAL MAN

(Continued from page 2.)

THE PHILOSOPHY OF LIFE

The proper philosophy of medicine is surely the triumph of life over death. By supporting the economics of death, even passively, medicine is doing itself and the community infinite harm. The time has come to call a halt. The B.M.A. and the higher coterie at the Royal Colleges of Surgeons and Physicians should be told so. If necessary, in plain, vulgar and very robust language, for it is to this inner coterie that the Big Bankers and Businessmen resort when they need physical overhauling. The medicos can do much better than their present scheme for the "protection of professional incomes," and, as professional men, it is their duty to do it.

Intelligent non-co-operation with the functionaries of the financial system is one way to achieve the desired object.

The modern adaptation of the device known as Morton's fork is another and more direct way. The technique of this is for the doctor to stick his scalpel into a banker and promise not to take it out until the banker has undertaken really to do something about the present mess.

Real reform could be achieved in half-an-hour at a committee meeting of the Commonwealth Bank Board if the urge was there.

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