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# THE NEW TIMES

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Vol. 6. No. 5.

MELBOURNE, FRIDAY, FEBRUARY 2, 1940.

Every Friday

# REPUDIATION?

## Tasmanian Treasurer's Warning

### "Financial Orthodoxy Most Dangerous Thing in the World "

#### That Loan Council Meeting

**HOBART, Monday** —If existing methods of finance were continued and the war lasted another two or three years, there would be such an accumulation of debts that it would be necessary to repudiate them to prevent revolution, said the State Treasurer (Mr. E. Dwyer Gray) today.

After reference to the recent Loan Council discussions, Mr. Dwyer Gray said: "If the Federal Government insists on financing Australia's effort under existing conditions, it will be found that the terrific burden of Federal taxation will cripple industry, as well as make the States insolvent.

"I am not so radical as to be reckless, and I have not supported anything that will be dangerous. The most dangerous thing in the world today is financial orthodoxy if the war lasts for two or three years."

—"Argus," January 30.

The *Argus* of January 18 reported as follows: —

"Use of the national credit will be urged by the Treasurer of Tasmania (Mr. Dwyer-Gray) when the Loan Council assembles in Melbourne tomorrow, but in a statement yesterday he made it clear that he would not advocate anything "extravagant" or anything leading to inflation.

"Three States—South Australia, Western Australia, and Tasmania—had recently passed resolutions asking that the national credit be used to assist in financing the war, Mr. Dwyer-Gray said. These resolutions indicated a widespread desire to improve upon present methods of finance and a widespread belief that the Commonwealth Government's power to control currency and banking should be used more vigorously in the national interest.

"The objectives of such a policy should be generally to ensure full use of the real resources of the community—labour, materials, and productive equipment -- and to avoid "financial profiteering," namely, the imposition of a burden on the general taxpayer in order to provide additional unearned income for the wealthy investor.

"These financial problems, said Mr. Dwyer-Gray, were imperfectly understood by most people, including many so-called financial experts, and some claimed considerably more for what could be done by the use of national credit than was in fact possible.

"I wish to make it perfectly clear, therefore," Mr. Dwyer-Gray said, "that I am not supporting extravagant proposals based upon ignorance of the operation of the financial system. Even more im-

portant than national credit are the national resources of labour, materials, and equipment. It should be the function of national credit to ensure the best employment of these resources."

#### AFTER THE LOAN COUNCIL

After the Loan Council meeting the *Argus* of January 20 reported in regard to Mr. Dwyer-Gray: —

"Strong dissatisfaction with the results of the Loan Council meeting was expressed last night by the Tasmanian Treasurer (Mr. Dwyer-Gray).

"In effect the Council had done nothing whatever except leave it to the Commonwealth Government

(Continued on page 7.)

## HOW DO YOU LIKE THIS?

The following is an extract from a recent broadcast address by Clifford M. Utley, Director of Chicago Council of Foreign Relations.

"Some may think it ridiculously early to talk about the next peace; or you may think it is none of our affair. But it is our affair. We shall have a great influence on the next peace, if the Allies win. Here is why: If the war goes on for long, we shall have all the money in the world. Post-war Europe will be bankrupt, and will look to us for financial aid to start things going again; and, much as we condemn the reckless loans that we made to Europe after 1920, we shall probably make some new loans, for the alternative is likely to be chaos and Communism, if Europe is left completely to itself in the period of broken morale that inevitably follows a great war.

"We will be in a position to demand a price. That price may be the handing over to the United

## PROFESSOR COPLAND AND THE STATE SAVINGS BANK

### "New Times" View Supported

We are pleased to note that a voice from the Labor Party has arisen to support our protest against the appointment of Prof. D. B. Copland to the Victorian State Savings Bank Board. In a recent issue of the "Labor Call," this appointment is bitterly condemned in a forthright article by Senator Cameron. The Senator darkly hints that another such appointment may mean the end of Labor support for Mr. Dunstan. Why wait for another?

Since his election to the Senate at the last election, Senator Cameron has been an outspoken opponent of the financial ring and we sympathise with him because his Victorian Labor colleagues in the State sphere have given their tacit support to the outrage against which he protests. The State Labor Party does not seem to be worried about High Finance's latest win.

There appears to be some evidence that Albert "Alibi," or All-for-Albert, Dunstan, as some of his critics label Victoria's plump little Premier, is wilting under the strain of the criticism directed against him for delivering the Victorian State Savings Bank into the clutches of the private trading banks.

Mr. Dunstan has been compelled to rely upon one unit of the yellow press to cover up the real reason for bringing the accounts of small depositors under the dominating influence of the captains of finance.

#### ANOTHER BETRAYAL

There are so many curious and very unsatisfactory features associated with the whole affair that it is not surprising that one of those who claim to represent the wage-earners has been so stirred as to make some very pointed remarks concerning the probable duration of the political arrangement by virtue of which Dunstan is allowed to hold the reins of office.

With the appointment of Bankers' Puppet Copland, who has directed so many campaigns against Australian producers and wage earners on behalf of the bigger pawnbrokers, who operate under the more dignified title of financial houses, the control of the State Bank is in much the same relation to the people as that of the Commonwealth Bank.

Page and Bruce, who emasculated the Commonwealth institution, so that it did not function on behalf of the people, did not do the bidding of the financial ring more glaringly than the Victorian Premier.

#### COPLAND, DUNSTAN AND SIR KEITH MURDOCH

Copland's voice has been raised on behalf of the banks so often that his policy of "please and get paid" is well known. Copland draws something like £2000 per annum from a University appointment. So well did he please Menzies and the banker-controlled U.A.P., that, in addition, he was rewarded by appointment to the Chairmanship of the Federal Prices Commission, which carries a salary of £1800 per annum. Dunstan who has much the same views on financial questions as Menzies, and who was a Minister in the banker-controlled Argyle administration, appointed Copland to his boloney Economic Committee at another salary of £300. Apparently feeling that Copland's anti-farm writings and his efforts to misrepresent the needs of the masses were all to his interest, Copland was then appointed a Commissioner of the State Bank at yet another £500. Whether Copland will now think that he has enough in "perks" as the result of being rewarded in turn by the Bankers' Men, Menzies and Dunstan, or whether he will continue to misrepresent the economic position on behalf of his banking masters, remains to be seen. Dunstan has been unusually silent concerning that Murdoch dinner en-

(Continued on page 6.)

# "NEW ORDER" IN "THE EAST"

## POLICIES AND PERSONALITIES

In a booklet entitled "Great Britain and the East," Dr. R. W. Hornabrook, of Melbourne, has published some letters dealing with the East, which he wrote to sundry personages in December of last year. Over a period of many years Dr. Hornabrook has acquired considerable first-hand knowledge of the East, its peoples and problems. Therefore, his statement of his views and what he has observed, enlivened by personal reminiscences, makes interesting and informative reading. From one of his letters we reprint the following, with our own sub-headings:

Russia today has the inside running right from the Baltic to the Japan Sea—if you look at your map you will see what I mean—and from that inside running she can today stretch out her tentacles west, south, east, and it is of vital importance that Great Britain comes to an understanding with Japan before it is too late. Japan has no desire of any kind to join up in any way with the U.S.S.R., but it was very largely through our folly in refusing to read the writing on the wall and in persisting in turning down the advice of men who knew the East and had a sympathetic understanding of her that we forced Japan into the arms of Germany, if we are not careful, then, too late, we will find that we have brought about an understanding between Japan and the U.S.S.R. that certainly will not be in the best interests of the British Empire anywhere in Asia.

Some years ago at the inauguration of the British Institute for International Affairs, Earl Grey voiced the words: "The nation which thinks merely nationally without thinking internationally as well, is bound to meet with disaster." No truer words than those have ever been uttered. Would that we would always remember them and guide our actions in accordance.

We are fools and more than fools if we think that this question is going to be handled by threats or hints of coercion or economic pressure being brought to bear on Japan, which, judging by appearances, the U.S.A. thinks she can do. No greater blunder could ever be made than that.

There is today a New East—no matter if we like it or do not like it—it's there, and all the heavy metal and combined fleets of the West and the U.S.A. cannot restore the status quo ante, and every Westerner who knows his East and has known it for years past is fully aware of that fact. We Westerners must understand this—that there is a new order, and that the East is going to have a bit more say in the running of the East.

### HIDE-BOUND ATTITUDE MUST GO

In the Melbourne *Argus* of 28th October, mention was made of the possibility of improving the relations between Japan and Great Britain through Australian channels. There is something to be said for that expression of opinion, and if I may, I will give my reasons for expressing this view.

I am thinking not merely of Japan, or China, or India, when I write this. The Colonial who has had experience in various parts of the Empire (and I speak as a Colonial) sees other portions of the Empire and the East slightly differently from the homebred Englishman. Speaking generally, I think he is inclined to take a broader view, and not to be so hide-bound as your dyed-in-the-wool, die-hard, conservative Britisher—the man who has been

brought up in one of the Motherland's big public schools, such as Eton, Harrow, Winchester, Marlborough or Rugby, and then gone up to Cambridge or Oxford, joins the Oxford Union or some other debating society or club, learns to speak or debate on almost any subject (though neither he nor his hearers know what he is talking about, and care less), put up for political honours, and, as long as he flies the right party colours or because his father represented the constituency, is elected. He has been brought up in the school to the idea that Great Britain rules the waves and to what we think, the world at least should think, and if it does not, then so much the worse for the world and all that is therein. He even views any expression of opinion from the outposts of the Empire with tolerance, but no more than tolerance. What can these mere Colonials really know!

This attitude was all right, say, 40 years ago, and could win through; but even 40 years ago the men who worked in various portions of the Empire and knocked around the world could feel the signs of coming trouble, and could read the "writing on the wall." True, we got away with our overbearing superiority of manner and belief that we were the chosen people and the rest of the world mere hangers-on. It was all very well for the man in the outposts of the Empire to utter words of warning to Whitehall—that was not his job. He was there to carry on, not to express opinions; so his warning went unheeded. But changes, great changes, were steadily and surely taking place.

### DISILLUSIONMENT AND THE INDIAN VOLCANO

Then came the Great War, which gave humanity a jolt from which it has not recovered. The East was awakened to the real West—a West no better than the East. The men the East had looked upon as little tin gods were not tin gods at all, but just very ordinary humans, with their loves and their hates, their lies and their truths, their make-believes, their promises and their breaking of promises.

Nothing has done more to lower Western and British prestige out East during the past thirty odd years than the radio and the picture films. Right into the back blocks of Central Asia, China, India and Central Africa, both the radio and the films have penetrated, revealing our weaknesses.

India, during the last war, sent her hundreds of thousands forward to fight our battles. After they had willingly given their lives, the survivors were thanked and told to go back to their kennels. They went back, but did not go in; and have been watching events closely ever since. If we Britishers make vague promises to India, as we did during the Great War and are doing today, and when the war is over, fail to carry out our word,

for an absolute certainty there will be Empire trouble which will not be confined to the all-India Congress and its followers; but Hindu and Mohammedan will both take part in spite of what may be said by the Native States, or the opposition that may arise from the Native Princes. We are sitting on a volcano in India, and it will not be coercion or threats of coercion that will save the situation.

### LORD MELCHETT, THE AGA KHAN AND A MOHAMMEDAN LADY

In 1923, on the maiden voyage of the P. & O. liner Mooltan, I had three very interesting fellow passengers. One was the late Lord Melchett, then Sir Alfred Mond, Chairman of the I.C.L., the most powerful combine in the world today. I saw a good deal of Mond. He was obsessed with one idea—money, money, money; power, power, power. He lived money. He breathed money. He dreamt money. He was not what one would call a happy man with all his money and power.

The second man was His Highness, the Aga Khan, direct descendant of the prophet, who is entitled to a salute, I think, of eleven guns, who is married to a young French wife, and wins the Derby every other day, more or less. He spends the major portion of his life in England and on the Continent. Now and again, when he visits his followers at Bombay or on the East Coast of Africa, on occasion he, a pretty lumpy individual, is weighed in gold. The gold is distributed as largesse among the true believers (and so it ought to be, for the

Aga Khan exacts pretty heavy tribute from his followers). Yes, his Highness, the Aga Khan, is a loyal British subject, but above all he is a Mohammedan, and always will be, in spite of his French wife and Derby winners. To sit and talk with the Aga Khan in his cabin was enlightening. His loyalty to the British "raj" of today is unquestionable; but the East is changing. It has changed. And should we fail this time to keep our promises to India, there is trouble ahead, and it will not be confined to India.

The third passenger was Lady Baig, a high caste Mohammedan lady, with two of her sons at Sandhurst. Lady Baig sat at my right hand at dinner, and one evening, when talking over my work in India and the changing India of the days following the Great War, she said to me, "Doctor, one day my boys will be fighting against England." I said, "Lady Baig, why do you say that? Don't you like England?" And she replied, "Doctor, you know India. You have worked among us. You know what these Anglo-Indians think of us and how they speak of us. We are good enough to fight for you. We are good enough to die for you; but we are also good enough to be insulted by you."

Yes, Lady Baig spoke the truth, and I am afraid it does not apply merely to the actions of a certain stamp of Anglo-Indian, but also to those of many Australians who do not know the East, and think, by expressing contempt for others who are of a different nationality or colour, they are ex-

(Continued on page 6.)

## 1000 NEW READERS WANTED!

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Confident that the time is opportune, and that the present general situation demands it, we are launching a big drive for another 1000 readers, which we hope to achieve before Easter. Every reader can play a part. If you are not already buying an extra copy to give or sell to a friend, start NOW. If every reader will make a determined effort to get one new subscriber before Easter, this objective will be achieved and exceeded.

### More Donations Wanted—Urgently

Although the financial position of the paper has been steadily improved by careful management, we still need some financial assistance, and a small amount is required every week to meet liabilities incurred when the paper was struggling for existence. Apart from this, the higher price of paper has increased our printing costs. Although other papers have been forced to reduce their size, we are determined to maintain our present standard. If we can get the circulation increase and financial support that is wanted, there will be no difficulty.

### YOU MUST MAKE THE DECISION

## FUTILITY OF RELIEF SCHEMES UNDER A DEBT POLICY

By STANLEY F. ALLEN, F.C.A. (Aust.),

Chartered Accountant and Local Government Auditor

**Professor F. W. Hart, Professor of Education at the University of California, when in Australia in 1937 as a delegate to the New Education Fellowship Conference, said that the "surplus man power is the fuming, quaking volcano on which the economics and social security of the world is now sitting."**

**"Surplus man power means low standards of living, poverty and starvation; these in turn lead to social unrest, economic strife, industrial warfare, political upheavals, civil war, revolutions, and may lead to international war, world war and world devastation."**

Our bewildered world leaders are endeavouring to cover up this economic and social volcano with make-believe cures—and as a result the after effects are proving more disastrous—we have had all manner of relief schemes, public works expenditure, and huge outlays on defence, and now the war itself is a scheme for using up the surplus man power.

When we have destroyed many thousands of human lives and made the armament and money monopolists richer at the people's expense, what then?

These various schemes are but a temporary expedient, which can, in the end, only create greater insecurity and suffering among the people. The cause of "the fuming and quaking volcano" still exists.

Professor Hart also stated: "We tried during the depths of the depression to supply 'relief work,' and as an 'emergency measure' it was justified; but the fact that it is futile is well exemplified by an incident that occurred in California.

"Several hundred 'relief workers' with picks, shovels and wheelbarrows, were moving dirt from a bank on one side of a road and dumping it down a fill on the other.

"One of the workmen asked the superintendent of the job if the 'gang' was moving as much dirt as was expected of them.

"When assured that the amount of dirt being moved was entirely satisfactory, the inquiring workman, circulating among his fellows, got them all to agree to an assessment of ten cents per day to hire a steam shovel to move the dirt while they sat in the, shade and played cards."

This eminently sensible proposal, however, was disallowed.

At one end of George-street (Sydney) we have a Labour Exchange, with officials scratching their heads to find work for men, and at the other end of George-street we have a University training young men and women as scientists and engineers to discover ways of DOING AWAY with work!

Let us look at some of the countries that have tried to remedy the problem from the wrong end. America, the richest country in the world, and where there is stored two-fifths of the world's gold—what has she accomplished by a Social Debt policy?

### IN AMERICA

Here are the facts of America, taken from a noted American journal:

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"In six years the nation has spent, roughly, 20,000,000,000 dollars for relief." (20,000,000,000 is £4000 million—three and a half times as big as Australia's National Debt.)

"We started with about 21,000,000 recipients of relief early in 1933 (it was the low point of the worst depression in history), yet we now have 22,000,000 recipients!

"We started spending 1,000,000,000 dollars a year, and we are now spending 4,000,000,000 a year.

"The sums already spent, together with the billions which have to be spent annually, constitute one of the main factors bringing ever nearer and nearer a breakdown in Government credit, and the certain result of this will be the impoverishment of those very millions of citizens who now support, by their productive efforts, the 22,000,000 relief recipients.

"It is pertinent that no other industrial nation depends mainly upon the costly system of work-relief as we do," says this American journal, "yet there is, if anything, less near-starvation in such lands than in our own, in spite of the fact that we have spent, and are spending, more for relief than all other nations of the world combined.

"There is one conclusion from these facts that would be agreed to by everybody—that the problem bristles with such present difficulties, and is so fraught with trouble for the future, that all the nation's resources of good-will moral courage, and intelligence should be marshalled to solve it."

### IN GREAT BRITAIN

Now let us turn to Great Britain. It is said that the acceleration of expenditure in England by the Local Councils "has become truly phenomenal - - how phenomenal indeed few people realise."

Statistics recently published by the Minister for Health show that the process of municipal rate increase seems likely to become settled and continuous.

The Right Hon. R. McKenna, chairman of the Midland Bank, says that two-fifths of the rates are swallowed up by the interest on debts.

Municipalities are spending annually a sum three-fifths as large as the British Government, often recklessly, on items such as town halls and civic centres, which mock the neighbouring workers' tenements.

The increase in the debts of Local Government bodies in England in the last 25 years was one thousand million pounds, and they

now total £1,636,000,000—more than the total public debt of Australia.

There was a time in England when they paid something off the National Debt each year, but now they just manage to pay the interest, and, like Australia, possibly borrow to pay the interest and to finance Government deficits.

It is interesting to study the position of Local Government in England in respect to the responsibility they have had forced upon them in connection with the unemployed problem.

The English Local Government Act, 1929, provides that, "So much of any enactment as imposes any limit on the borrowing of any local authority by reference to the value for rating purposes of hereditaments within their area shall cease to have any effect."

The New South Wales Local Government (Further Amendment) Act, 1935, states that, "Councils are NOW PERMITTED TO borrow by way of ordinary loans, subject to the approval of the Governor, without the necessity of following the special Loan procedure, involving notification of the proposal and possible poll of the Ratepayers, etc."

These two Acts clearly indicate the desire of the Governments to pass their responsibility on to others—the Governments by so doing escape the growing demand of the people for a higher standard of living.

### WHAT OF AUSTRALIA?

What of Australia? It would seem that the main concern of those in political authority is to discover a method of "passing the buck" to the other fellow—just as the Federal Government passes the responsibility on to the States and they, in their turn, pass theirs on to the Local Government bodies.

We have heard a great deal about the "faking of budgets" and "the wrongful use of trust money," but there is even more in it than that. The New South Wales Auditor-General's remarks on the State accounts for 30/6/34 apply equally well to the present day, when he said: "Any presentation of the figures in the public accounts serve but to emphasise the fact that interest, and exchange, and unemployment remain the paramount factors in the financial problems.

"Emergency measures which entail large expenditure from borrowed money, on which the interest is paid by further borrowing, are no more than a stop-gap, and the position calls for more extensive survey and financial planning than is embraced in an annual budget."

The debt position of our semi- and Local Government bodies in Australia is revealed in the paper read before the Science Congress at Canberra last year, where the Commonwealth Statistician (Dr. Roland Wilson) gave some startling figures.

He showed that the total borrowing for the year 1930-31 amounted to £1,875,000, whereas it is shown that the total for 1937-38 was £13,298,000, and we can well imagine what 1940 will be like at the rate we are going.

Mr. Wilson shows that during

1937-38 £1,228,000 of the total raised was used to re-finance debts that were due to the New South Wales Treasury.

Many people would like to know where this money went to when paid to the State Treasury, and particularly whether it was used to ease the budget position.

A unique position has arisen in some municipalities where hundreds of workers built their own homes in pre-depression days, but when the crises came many of them lost their jobs, and all they had, and still have, is their modest cottages.

The result of these circumstances today is that quite a number of eligible relief workers of these districts are at the same time ratepayers of the municipality.

What is known as the "Spoooner" scheme would mean that they would be borrowing money and paying interest on it to provide themselves with work.

The Municipal Councils are already at their wits' end to know how to collect the accumulating arrears of rates owing by the ratepayers when the total is now more than £2½ million, compared to £470,000 in 1925.

The Government has forced the councils into a most serious position, to the extent that they are damned if they DON'T borrow, because workers want work (as that is their only way of living as things exist under the present system), and the councils are damned if they DO borrow because ratepayers will have increased rates to pay, which must mean an increasing number of ratepayers becoming dependent on relief work or the dole.

The whole of the proceeds of the Wages Tax should have been made available to the councils right from the inception instead of forcing them into debt.

### WHERE THE MONEY CAN COME FROM

To the average politician further social debt and taxation is his only answer to the question: "Where is the money to come from?" notwithstanding the fact that the recent Banking Commission has already clearly shown them where it CAN come from.' Dr. E. R. Walker, Professor of Economics at the University of Sydney, in his paper titled *Sound finance*, given at Canberra, in January last year, said:

"When the Royal Commission on Monetary and Banking Systems noted in passing that the Commonwealth Bank, because of its legal power, 'can even make money available to Governments or to others free of any charge' (Section 504), the members probably did not expect to be quoted as supporting interest free loans.

"But what are the objections to such a practice?" he says.

"A Government could finance all its defence by credit expansion, thereby becoming independent of taxpayers, bondholders, and other financial interests, but it would sooner or later be confronted with the dilemma of recession or soaring prices."

But Dr. Walker sees that the problems of rising prices can be overcome, for he says further:

"Indeed, if prices, costs and other variables are effectively controlled  
(Continued on page 5.)

### LEARN THIS QUOTATION

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

—Letter from Rothschild Bros., June 25, 1863.

# The New Times

A non-party, non-sectarian, non-sectional weekly newspaper, advocating political and economic democracy, and exposing the causes, the institutions and the individuals that keep us poor in the midst of plenty.

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## "ANTI-HITLERISM" IS NOT ENOUGH

If blotches appear on the skin because the blood is out of order, of what use is an ointment? None at all; in fact, its use may prove dangerous, because correct treatment of the true cause is delayed or may be neglected altogether.

What is referred to nowadays as "Hitlerism" is an effect produced by a deeper cause, and that cause is a continued frustration of realities by a system of abstractions labelled "finance."

All over the world there are millions of real living people who have been denied access to the tangible goods and services that have been, and can continuously be, produced. Poverty has endured in the midst of plenty. Such denial flouts common sense, ruins the health of those denied, threatens the financial solvency of producers, and rouses hatred, conflict, and tendency to violence generally.

The instrument of this denial and frustration is the financial system, which governs production and consumption, instead of serving it. The policy referred to as "sound finance" is not only the world's and the nation's greatest "aggressor"; it invades, threatens, and destroys the security, peace, and liberty of millions of individuals in every country.

It produces conditions in which power-lusters and dictators flourish as offering a way of escape from the real frustration to common livelihood and security everywhere.

That's why "anti-Hitlerism" is not enough—it leaves the conditions that produce "Hitlers" untouched. Correct the financial means of frustration, and "Hitlerism" would die a natural and quick death, without any necessity to use bombs and cannon, or to sacrifice lives.

The League of Nations failed because it was a league of debtor and creditor nations.

Further, because of the flaw in what we call "sound finance," the debtors were not in a position to liquidate their financial debts to the financial creditors.

So it was a League of Financial Conflict, a league divided against itself.

This same division or conflict is present within each nation, too; and the debtors number millions of individuals who are in the position of not being able to liquidate their financial indebtedness to the few persons and institutions representing the creditors.

In the form of taxes and other ways we are all forced to pay tribute (debt-service) for the privilege, of being placed in an impossible financial position.

And woe betide any who fail to pay tribute, whatever may be the victims' reason! The rule of brute force is justified here!

And all so unnecessarily; for it is known that only a slight adjustment to the financial system would rectify the existing flaw.

All the "sacrifice" needed is the relinquishing of a superstitious idea about the sanctity of money and the "naturalness" of its present rules!

Here, then, is the reconstructive activity that offers what is missing in a mere "anti-Hitler" policy; here is a proposal that offers a practical alternative to a disastrous half-measure that is dealing only with effects and ignoring the causes.

Already, in some undeniable, examples, the prohibitions resident in our worship of a falsifying financial system have been recently broken. In peacetime who would have dared to suggest that a million and a half English women and children could be given free rides into the country and fed? Finance would have said, "No"; reality has said, "Yes," and, under threat of bombs, has proved it possible. Why do we have to wait for bombs to make finance reflect realities and enable security to be distributed?

Finance in peace time would have denied the access to the real means of transport available..

"Anti-Hitlerism" is not enough; let us change financial policy and make it reflect realities, make it serve the common desire for life in security and freedom, and then the "cause" of "Hitlerism" would be cut out painlessly and without sacrifice.

What is physically possible is, or can be made, financially possible; and when we do that, the main root-cause of violence, conflict, unrest, wars, fear, and crime will be already abolished.

## A STORY WITH A MODERN COUNTERPART

### The Emperor's New Clothes

By HANS ANDERSEN

A New Translation by Borge Jensen

Once upon a time there was an Emperor who was so fond of nice new clothes that he spent all his money on his wardrobe. He did not care to inspect his troops, not to go to the theatre not to drive in the park if he could not appear in a new costume. He had one for each hour of the day and in the same way that one says of a king "he is in council" one invariably said about him: "His Majesty is in his dressing room changing his clothes."

In the great city the people joked a good deal about the Emperor and there was a never-ceasing stream of visitors to his capital. One fine day there arrived two impostors who called themselves weavers and declared that they knew how to weave the most marvellous material in the world. Not only were the colours and the design of an unparalleled beauty but a costume made of this material possessed the wonderful quality of being invisible to everyone unable to do his job properly or more stupid than he ought to be.

"Jolly valuable clothes," thought the Emperor to himself. "Thanks to them, I shall be able to recognise those of my subjects who are unfitted for their jobs and to distinguish the stupid persons from the clever. Yes, I must definitely have some of this material made." Whereupon he gave a large sum to the two impostors, asking them to set about the work immediately. So they set up two looms and pretended to work, although there was absolutely nothing on the shuttles. They continually demanded the finest silk and purest gold, but they stuffed it all into their own bags and worked far into the night at their empty looms.

"I would rather like to see how far they have got," the Emperor reflected, but at heart he was a bit anxious at the thought of the material being invisible to the stupid and the incapable. Not, of course, that he had the slightest fear about himself. Nevertheless, he preferred to send someone else to see how the work was proceeding. Everybody had heard about the wonderful qualities that the material possessed, and all were burning with impatience to know exactly how stupid and incapable their neighbour was.

"I shall send my dear, old Minister of the Interior to the weavers," thought the Emperor. "He will be more capable than anyone else to judge the material, for he is a very clever man, and none is better at his job than he."

So the good old Minister (who was honesty itself) went to the large room where the two impostors were weaving hard at their empty looms. "Goodness, gracious me," he thought, opening his eyes wide; "I cannot see a single thing." But he kept it strictly to himself. The two impostors invited him to come nearer, and asked him what he thought of the design and the colours. In front of the completely empty loom the poor old Minister opened his eyes wider and wider, but without seeing anything, for the simple reason that there was nothing to see. "Good Lord," he thought; "is it possible that I am nothing but an idiot? I should never have thought so, but there does not appear to be any doubt.

Am I not up to my job? I must be very careful not to say that I have not seen the material."

"Well, what do you say?" asked one of the weavers. "Oh, but it is charming; too, *too* divine," said the old Minister, adjusting his eye-glass. "This design, these colours. Yes, I shall certainly tell the Emperor that I am very, very pleased."

"How very gratifying," commented the weavers, and then they began to enumerate all the colours of the material and to explain its design. The old Minister listened for all he was worth, so as to be able to repeat it all to the Emperor.

The impostors demanded a second provision of silk and gold for the material. Just as before, they stuffed all in their own pockets and continued to work at empty space. The Emperor sent another trusted official to see how far they had got with the cloth. He was no more lucky than the Minister. He looked and looked, but as there was not anything but the empty looms he could not see anything. "Don't you think it is a remarkable material?" asked the two crooks, showing it to him and explaining the superb design that did not exist.

"But I *know* I am not stupid," thought our friend. "Can it be that I am not worthy of my position? I cannot believe it. But I must see to it that nobody notices it." So he praised the stuff that he did not see, and expressed all his admiration for the handsome colours and enchanting design.

"It is a marvel," he told the Emperor.

The whole town talked of nothing but the magnificent material. At last, the Emperor wanted to see it for himself while it was still on the loom. Accompanied by a grand train of persons (among whom were the two trusted officials), he repaired to the room where the two crooks were working dilligently, still without using the least thread of gold or silk.

"Well, your Majesty, is it not magnificent?" asked the two officials. "Will your Majesty deign to look at these colours and this design?" And they pointed to the empty loom, while the others were, no doubt, looking at the material.

"Heavens," thought the Emperor; "I cannot see a thing. Is it not terrible? Am I an idiot, incapable of governing my Empire? What a calamity!"

"Yes, yes; it is splendid," he said loudly.

He gave a gracious nod to show his satisfaction, and he looked at the empty loom, not daring to say that he did not see anything. All his suite opened their eyes wide, but could see no more than the rest. In spite of which everybody said, with the Emperor: "It is splendid." They advised him to wear a costume made of this superb

(Continued on page 8.)





## SOME FASHION NOTES

By "THE WALRUS."

These are indeed troublous times, what with the heat wave in Queensland and the ice wave in Europe—just the sort of extremes one would look to start some rather revolutionary dress theories. Sure enough someone has started something in the matter of dress. Two reports reached me on the same day, one from Canberra and the other from London.

The one from Canberra concerns, of course, the attempt to introduce shorts—with what appears to be the usual reactions from radical and conservative—for my newspaper informs me that "formally dressed young men have replied to the 'shorts' reform by appearing with walking sticks." Of course, this may not be a conservative reaction, but merely a form of defiance at being ordered about; the sort of defiance we were wont to indulge in the good old days when we drank the canary's water after being forbidden to convert the baby's hair into paintbrushes. I am bound to admit, however, that defiance seems to be a fast disappearing value. When, for instance, we are ordered to fall in and fight the foe, we don't say, "What, me fight him! No fear! He can't run fast enough." For one thing, nobody knows who is going to fight whom until the numbers go up, and though that ought to make it easier for us to make a stand, we don't make any sort of a stand. We simply ask, "How much do we get, and what do we eat?" and, like jesting Pilate, we wait not for an answer, but add, "Pooh! Is that all?" Thenceforward our horizon is bounded by Part II Orders.

## IN THE ARMY

But whatever the army doesn't do, it certainly disposes of the dress question. Individual caprice is frowned upon: such caprice, for instance, as donning cloaks when riding through a storm without being ordered to do so, or of slipping a hook in a tunic collar to avoid heat apoplexy on one's own initiative. You need experience of the army to realise how important dress is.

I recall how, in Cairo, during the last war, a solitary cavalryman might have been seen reeling slowly with approved gait towards the Gezireh Racecourse. To the uninitiated he was just a newly-arrived candidate for trouble, but no one could have guessed that he was already steeped in crime, and that clerks were already tapping out with one finger, on the typewriter, the enormity of his offence, which was no less than that of appearing in public in a service cap without a wire, and of being shod in non-regulation boots. Two hours previously, when, fresh from desert column, and before it had been necessary to shear away with the raven locks the hat which was everywhere penetrated with waving hirsute tufts, he had been a correctly dressed soldier, albeit,

that the boots exposed to the vulgar gaze the digital imperfections of his somewhat repulsive feet. The hat and boots were, however, identifiable to the expert as "regulation," whereas the natty substitutes were even more identifiably non-regulation. Hence that most undesired of all crimes, the garrison crime.

We shall probably find that Hore-Belisha lost his job over something like this, for I have already noticed the disappearance of the "Sam Browne." The late Lord Haldane probably came to grief over something similar—through a cap or a button, I fancy, although my memory is not what it was. But it stands to reason it must have been something like that, because on these occasions the Prime Minister always dashes into the open with the fervid declaration that the retiring Minister and he are boon cobbles, and always have been, and, as for policy, the unanimity of the Minister and all the parties concerned is simply frightful.

## IN LONDON

I'll bet you're skimming through this as fast as you can to discover what the London sartorial report was all about. Well, the report concerns a complaint from nine of the girls in "Fig Leaves," "the biggest show London has ever seen," etc., etc. They walked out "because their costume consists of the most meagre brassiere and a narrow satin strap round the hips." The leader remarked that "the costume . . . would vanish if anyone in the audience sneezed."

Things may not be as alarming as all that, for the costume may not seem to some people as anything to sneeze at, but the idea that such a costume might even be considered in ice-bound Europe ought to give pause to the correctly dressed gents who prefer formal dress and walking sticks to shorts.

The producer seems to have been a humane man, who has permitted himself to be affected by the mortality from cold among the belligerents in Finland, for we are informed that "he offered to add either an extra feather or a fig leaf to the costume."

But if things like that can happen where they have to break the ice off the champagne, what might not happen here? I'll say at once that if anything like a semi-official order to wear shorts were presented to me, I'd accede like a shot, and mind you, I'm one of those persons who become more and more presentable as more and more of the person is screened from the public gaze, and, anyway, shorts don't go with a walrus moustache. But I would accept shorts in terror lest if I refused I should be compelled to wear a brassiere and satin hip strap. After all, you can, at a pinch, carry tobacco and matches in shorts, but there's nothing much you can do with the other gadgets except pray for the moment when you will wake up.

So, if any of you are in the habit of passing this paper along, mind you don't show it to any of the Canberra officials. They are so much in the habit of following a London lead that you will be heading straight for sartorial trouble if you do.

## AMERICAN DESTINY

## "From the Unreal to the Real —"

"What Rome was to the ancient world, what Great Britain has been to the modern world, America is to be to the world of tomorrow. We might wish it otherwise. I do....but our personal preferences count for little in the great movements of history, and when the destiny of a nation is revealed to it there is no choice but to accept that destiny and to make ready in order to be equal to it."

So writes Mr. Walter Lippman in the "Life" magazine, dated June 5, 1939.

Commenting on the above, N. R. Johnson, writing in the "Technocrat," July-August, 1939, says:

"From the Unreal to the Real"

"... The duty of the highly publicised and much touted columnist and the publicist of today is to appear to cover the news but at the same time to invent or promote sufficient distractions to keep the public's mind off the real issues.

"The latest red herring to be skilfully dragged across the trail of America's progress is this line about the AMERICAN DESTINY. While old stuff in Europe, where Hitler and Mussolini have been wearing it thin for years, this bouncing sardine hasn't been seen very much around America since those delirious days of the Great War.

"This red herring, patriotically striped with the white and blue, is the mainstay of those financial and industrial interests who realise that consumption has slowed down in the United States to a strictly non-profit tempo and who hope, by involving the United States in dubious adventures, to find again the golden market for their 'endless' expansion. After clipping the golden fleece of the great American sucker until it resembles the hide of an Mexican hairless, these interests hope to finance—with American debt claims and American lives—the growing of the same golden crop on foreign shores. So Americans must be sold on the idea that AMERICAN DESTINY dictates American interference in European affairs and that America must dictate the peace of the world.

"America need not bite on that same stale bait for the idiotic objective of guaranteeing a few millions in foreign trade and the right of foreign citizens to starve under the scarcity values of a dubious democracy rather than the scarcity values of a tintype Dictatorship.

"The last time America went to war 'to make the world safe for democracy' we won a glorious victory. The prize of that victory, the loot that we brought back on our bayonets, was the privilege of paying ground rent for fifteen thousand crosses on the fields of France, so much money every month for rent on every grave in which our heroic dead are lying.

"American interference in European affairs would make an excellent destiny for the few whose business is foreign trade and the merchandising of debt and death. It would make an excellent destiny for those Americans who are impoverishing future Americans by shipping scrap iron, which we can never replace, fuel oil and gasoline, which we can never replace, copper and nickel, which we can never replace, to foreign shores for the use of aliens. It would make a very bad destiny for the young men who would have to serve in expeditionary forces to protect the investments incidental to American interference in foreign affairs. It would make a very bad destiny for the

millions of future Americans who would be born, like present-day Englishmen, into a country drained by foreign trade of its natural wealth.

"The New America sees no reason for the expenditure of one single pound of American supplies for foreign war. Not one bullet. Not one American life. That will leave us free to fulfill America's real destiny.

"What is this destiny of the American people? If modern science and the modern spirit mean anything at all, that destiny is to demonstrate for the first time in history that a civilisation can be built that will provide abundantly and fully for all of the people. This mastery of abundance is America's real destiny and it is a destiny on this Continent only—a destiny in which foreign quarrels and foreign entanglements have no part and no place."

## Futility of Relief Schemes Under a Debt Policy

(Continued from page 3.)

credit expansion has no dangers but the mechanisms which, in the absence of control, imperil industrial stability, are not understood by most apostles of sound finance."

Surely Professor Walker must see that this "dilemma" is existent with the present expansion of the private banks' debt money, with its other equally evil effects?

To guard against soaring prices, it is the duty of the people's Government not only to assert its rightful prerogative as to the issuance of money, but to also see to its scientific control in regulating its purchasing power.

These very vital admissions, made by the Commission and approved of by Dr. Walker, are enough to show the people and their political representatives what can and what should be done.

There is much work to be carried out in Australia, and vast resources still to explore and to develop.

By the proper use and control of the nation's own financial credit, and the use of Australia's wealth for the people's welfare, our Governments and semi-Governmental institutions could be saved from further financial impoverishment, and enabled to more efficiently and effectively meet the needs of the people.

My thirty years' experience as a Local Government Auditor has established my conviction as to the serious position of the Local Government institutions—yet they are of the utmost importance as a means of serving the social needs of the people.

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## "NEW ORDER" IN "THE EAST"

(Continued from page 2.)

hibiting their superiority. What fools!

### AN INSULTING SPEECH

Let me carry you to other fields. This time to the British House of Commons in early 1923—an Imperial Conference year. The debate on the India Office estimates was on. I went up to the House with an old friend, Sir Tej Bahadur Sapru, one of the most brilliant lawyers in India, and representative for India at the Conference, and the Maharaja of Alwar, Sir Howard D'Egville, met us and took us to the Distinguished Strangers' Gallery. The House was packed and the galleries full. The debate went on, the speeches were interesting to one who knew his India; and then Winterton, the present Earl Winterton, rose to speak.

Now there is no man the world over, no, not one of any nationality, who can make an insulting speech politely better than the polished Englishman—the man who has been born into it, brought up in an English Public School, gone on to Oxford or Cambridge earmarked for the House of Commons. I take my hat off to that man. No Colonial could approach within miles of him! He is it!

Winterton made a brilliant speech, a clever speech; but a damn insulting speech to the man who was a brilliant Indian scholar sitting beside me. The speech reeked of the over-bearing superiority complex of the Britisher, and yet I do not suppose he really meant it that way. I could feel Sapru beside me sizzling with contempt and indignation. I thought the seat would catch fire. The speech over, we went down into the lobby and out of the House, straight back to the Carlton Hotel and up to Sapru's room. He shut the door and paced up and down that room like a caged tiger.

"Sit down, Sapru, man, sit down and calm yourself."

"Doctor, you speak to me like that when you know India, and you tell me to keep calm!"

"Yes, I do. I know what that speech means to you and how you visualise it. You see that speech being spread tomorrow throughout the length and breadth of India by the vernacular press as the voice of the British House of Commons. Remember that the man who made that speech is a mere nobody—just an ordinary member. The session is drawing to an end and he wants to impress his constituency that they have a live member as their representative. All the members do that sort of thing with the session drawing to a close."

"You say that to me, doctor, but you know better. You know perfectly well that man does not know the harm he has done his own country: yet they ask us to remain loyal."

Yes, I am afraid these fools do not know the harm they do the old Empire. They think themselves clever, brilliant orators, smart; but they forget that when a stone is thrown into the water the ripples spread far and wide right into the beyond: and I am afraid some of our Australian politicians, leader writers in the press, and commentators over the wireless, forget also.

The East can be handled by men who know her and whom she knows; by men who have a sympathetic understanding of her, know her history and her religion. I am not afraid of the East one little bit, but I am afraid of my own countrymen who, by their narrow-minded, bigoted parochialism, if permitted to have their

way, will one day land the old Empire in trouble.

### WRITING ON THE WALL.

There is today a New East. For the past forty years the writing, for those who could and would read, has been on the wall. Today that writing is not merely on the wall, it is engraved deep into the wall. The days of the exploitation of the East by the West are over. They are over for good, and all the 18-inch guns at Singapore, and all the combined fleets of Great Britain, the U.S.A., France and the Dutch East Indies, cannot restore the status quo ante. That has gone, and gone forever. Yet that does not mean the old Empire cannot take her place in the trade, commerce, and prosperity of the East. Why cannot those men who know their job and have served the old Empire be listened to! Why are they let down for men who don't know their East, who have some vested interest to serve or some axe to grind! They are not the men who are going to save the situation. I am so afraid some politician or ex-politician or someone because he has a handle to his name, will be sent up East. Such men would be hopeless!

You cannot get on with the East unless you have a sympathetic understanding of her; unless you have worked with her as a man, know her history, her religion. If we are to win through it is not clever diplomacy that is wanted. There has been far too much clever diplomacy in the past, and it has landed the old Empire and the world in more than one international trouble and war. It is clean, decent playing the game that is wanted, and in playing the game by the other fellow you play it by yourself and your own country.

### JAPAN LET DOWN

We Britishers did not play the game by Japan at Washington in 1921-1922, and we know it. We, the paramount power out West, without any adequate excuse, slapped the face of Japan, the paramount power out East. In so doing we not only let Japan down, but we let ourselves (Great Britain) down and China down. The abrogation of the Anglo-Japanese Alliance was the biggest diplomatic blunder of the century: we have suffered for it, Japan has suffered, China has suffered. It would not have mattered if Switzerland, Holland, Belgium or Latvia had slapped Japan's face, but it was we, the paramount Western power, who did it, and by so doing gave a setback out East to British prestige, and

kicked peace into the ditch. By our action we ostracised Japan, forcing her against her will into the arms of Germany, who was ostracised in the West. What more natural than that two boys who have been sent to Coventry should come together, even if they do not love one another?

As long as we held Japan's hand in friendship we had the right, as a friend, to give her friendly advice to which she would have listened. Japan was proud of her friendship with the British Empire. Her navy was proud to be associated with our navy. Japan looked upon the British Navy as the father of her navy. Her ships were built, many of them, in our yards. Admiral Nelson was looked upon as one of their heroes, for in the ward-rooms of many a ship of the Japanese Navy was an engraving of Admiral Nelson hanging beside one of their Nelson, Admiral Togo, who was trained in the old Worcester, and whose signal to his fleet at the Battle of Tsushima, on May 27, 1905, was as follows:—"The fate of our nation depends upon this one action. You will do your utmost"—a truly Nelsonian touch.

Yes, we dropped Japan's hand after she had played the game by us—not one man could have left these shores had she been false—and we dropped her hand entirely against the advice of men who knew their job and knew the East, and against the advice of some of the finest men in the service.

It is not clever diplomacy that is wanted today, but clean diplomacy.

(To be continued.)

## Professor Copland and the State Savings Bank

(Continued from page 1.)

agement just before Copland's appointment; although, we note with interest that he was since able to inform the citizens of Charlton that "the city press has given my Government fair support, but has told me that, if my Government fell, it would not support another Country Party Government."

Copland's economic ramblings, of course, mainly appear in the Melbourne *Herald*, which Murdoch controls, as well as the Victorian U.A.P., and it is possible that it was at the dinner engagement that the appointment of this bankers' puppet was finally agreed upon. Dunstan's Charlton statement certainly lends colour to this view.

## NOW OUT!

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### REPUDIATION?

(Continued from page 1.)

to consider the amount of loan money to be raised in the immediate future and the rates of interest to be paid, and whether it should be a war loan or a composite loan for war and works.

"Mr. Dwyer-Gray said that he had brought forward the question of the utilisation of national credit, which had been affirmed by the Parliaments of South Australia, Western Australia, and Tasmania.

"When the general financial position had been discussed he had stated the views of the Tasmanian Government. Its proposals would have meant the utilisation of national credit without inflation, and were entirely practical and defensible. He had moved that—

"As approximately £42,000,000 is required to meet this year's programme, this Council advises the Commonwealth Government to make arrangements for an extension of national credit through the Commonwealth Bank of at least £15,000,000, the balance to be financed by a later public loan for war purposes only, after effecting arrangements with the trading banks suggested by the State of Tasmania."

"Mr. Dwyer-Gray said that he had been surprised that his motion had found no support. The effect of the Tasmanian proposals would have been that a large amount of the war loan would have been raised at \ per cent."

\* \* \*

It is noteworthy that there was no practical decision arrived at in regard to the proposed loan, which indicates that the money monopolists recognise that they can no longer be confident of their customary methods succeeding. That the matter is considered seriously is shown by the following report, taken from the leader page of the *Argus* of January 22:—

#### "CREDITS PLAN CRITICISED."

"Loans Preferred."

"Financial circles in Melbourne believe that at this early stage of the war it would be highly dangerous to finance defence by 'extending credit through the Commonwealth Bank,' as suggested by the Treasurer of Tasmania (Mr. Dwyer-Gray).

"It was pointed out . . . that conditions were particularly favourable for the flotation of a public loan at present. The rate of

interest was falling almost daily, and every indication suggested that there were substantial sums awaiting investment in gilt-edged securities. Thus the success of a relatively large loan was assured.

"The Commonwealth Bank, in exercising a function of a Central Bank, had already been expanding credit to a moderate degree by following for 18 months at least a policy to prevent deflationary influences. If the bank had to be asked to find money at this stage, when there were obviously plenty of funds awaiting investment in a war loan, the outlook for the future would be very poor indeed."

The following data will be sufficient to serve as an answer to the gentlemen in "financial circles":—

#### BANKING COMMISSION'S REPORT

Sections 503 and 504 of the Report of the Royal Commission on Banking read as follows:

"Sec. 503. —The Central Bank in the Australian system is the Commonwealth Bank of Australia. This Bank is a public institution engaged in the discharge OF A PUBLIC TRUST. As a central Bank, its especial function is to regulate the volume of credit IN THE NATIONAL INTEREST, and its distinctive attribute is its control of the note issue. Within the limits prescribed by law it has power to print and issue notes as legal tender, and every obligation undertaken by the Commonwealth Bank is backed by this power of creating money with which to discharge it.

"Sec. 504. —Because of this power the Commonwealth Bank is able to increase the cash of the Trading Banks in the ways we have pointed out above. Because of this power, too, the Commonwealth Bank can increase the cash reserves of the Trading Banks; for example, it can buy securities or other property, it can lend to Governments or to others in a variety of ways, AND IT CAN EVEN MAKE MONEY AVAILABLE TO GOVERNMENTS OR TO OTHERS FREE OF ANY CHARGE."

#### SOUTH AUSTRALIAN PARLIAMENT

The following resolution was passed by the South Australian Legislative Assembly, the voting being 17 to 13:—

"That an Address be presented

to the Governor, Praying his Excellency to transmit to his Excellency the Governor-General, the following resolution:—

" That, in the opinion of this House, the national credit of the Commonwealth should be used in the interests of defence, the primary industries, and the general welfare of the people of Australia."

#### WEST AUSTRALIAN PARLIAMENT

The following resolution was passed unanimously by the Legislative Assembly of Western Australia on December 7 last, after the original resolution moved by Mr. Marshall, M.L.A., had been subject to three amendments:—

"In view of the deplorable state of our primary industries and the ever-increasing poverty and unemployment in our midst, the national credit of the Commonwealth should be used in the interests of defence, the primary industries, and the general welfare of the people of Australia by and through the Commonwealth Bank without inflation or any charge." It was forwarded to the Prime Minister.

#### TASMANIAN PARLIAMENT

A resolution:—"That the National Credit of the Commonwealth should be used in the interest of defence, the primary industries and the general welfare of the people of Australia" was moved by the Premier of Tasmania, the Honourable E. Dwyer Gray, M.L.A., and passed by the Legislative Assembly on the 2nd day of November last. It was forwarded to the Prime Minister.

#### LOCAL AUTHORITIES

The following resolutions were passed at a recent meeting of the Blaxland Shire Council, N.S.W., and have since been endorsed by several other councils:

"(a) That the time has arrived when Local Authorities should have a real voice in the affairs of the nation, and that if, as has been mooted, the Federal and State Parliaments of Australia are to jointly confer on national problems during the duration of hostilities, then Local Authority representation should be co-opted at such conferences.

"(b) That, in the opinion of this council, present financial methods are not adequate to meet the needs of necessary works, maintenance and utilities, and urges the expediency of progressively liquidating the national debt, the abolition of interest, and the freeing of the Commonwealth Bank policy so that it may work in the interests of the nation, as set out in Section 504 of the Report of the Royal Commission on Banking.

"(c) That this council draws attention to the loyalty and unselfishness of the volunteers for national service, on the one hand, and the attitude of the purely financial institutions, holding practically the whole of the monetary and credit structure for usance, on the other.

"(d) That these resolutions be transmitted to every Local Governing Body in the State, with an invitation to co-operate."

\* \* \*

Even Mr. Dunstan, Victorian Premier, has answered Prime Minister Menzies' dictum, that the States must balance their Budgets by declaring "Taxation proposals in the last Budget would not be altered."

\* \* \*

It would seem that there is justification for concern in "Financial Circles."

## New Times SHOPPING GUIDE and Business Directory

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### MELBOURNE (Cont.)

(Continued from page 6.)

#### ELSTERNWICK.

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RADIO & ELECT'L SERVICES. Mackintosh's, 72 Glenhunting Road L4588.

#### FAIRFIELD.

BUTCHER, 93 Station Street. Arthur B. Heath Solicits Your Patronage.

#### FOOTSCRAY.

BOOT REPAIRS. A. A. Taylor, Station Ramp, While U Wait Service.

#### GLENFERRIE

OPTICIAN. W. W. Nicholls, 100 Glenferrie Road. Haw. 5845  
SUITS to order from 70/- H.5813. A. Sutherland, 184 Glenferrie Road.

#### HAMPTON.

BOOKSELLER, S. J. Endacott, 75 Hampton St., for all book needs  
CHEMIST, Rod Burgess, 156a Hampton St. XW2424  
HAIRDRESSER, Ladies and Gents R. STEWART, 68 Hampton St  
TAILOR, R. W. Simpson, Railway Walk. Suits Hand Made from 95/-

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BOOT REPAIRS, J. Fraser solicits your custom. 130 Upper H'berg Rd.

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#### KEW.

ANDERSON'S, 141 High St. Authorised Newsagent. Haw. 1145.  
BUTCHER, S. Daw, High Street, Opp. Union St. Satisfaction, S'vice.  
C. KENNEDY, Grocer, Haw. 229  
Opp. Cemetery Clock, Parkhill Rd  
DRY CLEANING, Depot & Library A. I. Fraser, 182 High St. H 3733  
E. WHITE, 109 High Street. Confectionery and Smokes.

GIFTS, & All Jewellery Repairs. Old Gold Bought. Greaves, opp. Rialto.

IMPERIAL DAIRY, R. H. Kent 9 Brougham Street. Haw. 3243  
M. J. MARTIN, 157 High St. Haw. 3794. Shoe Store, Shoe Repairs  
MOTOR GARAGE, Kew Junction Service Station, Cr. High and Den mark Streets. Haw. 6457.

RADIO EXPERT, J. G. Littlewood 267 High St. Also Elec. Applncs.

#### MORELAND.

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

#### NORTH FITZROY.

KEITH PARLON, The Fitzroy Tailor, 45 Best Street. JW1555.

#### NORTH CARLTON.

W. BROWN, Hairdresser & Tobacconist, 733 Nicholson St., N. Carlton

#### SANDRINGHAM.

A. RYAN, opp. Stn., Shoe Repairs. Tennis Racquets Restring from 7/6  
GROCERS, McKAY & WHITE, Bay Rd., opp. Theatre. XW1924  
HAIRDRESSER and Tobacconist, A. E. Giddings, 18 Station Street.

#### ST. KILDA.

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

#### SPRINGVALE.

DAIRY, M. Bowler. Buckingham Ave.  
R. MACKAY & SONS. General Storekeepers. UM9269.

#### WILLIAMSTOWN.

DUNSTAN, DAIRYMAN. 28 Station Rd. Phone: Wtown 124.

#### WINDSOR.

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

#### TO OUR READERS—

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## VICTORIAN CAMPAIGN NOTES

From United Electors of Australia, Room 9, Floor 5, McEwan House, Little Collins Street, Melbourne.

### U.S.A. Senator Urges Pressure on Members.

An interesting report from the *Pastoral Review*, an important Victorian journal, circulating throughout Australia among influential pastoralists, appears in the issue of January 16, 1940. It quotes Senator Askurst, of Arizona, U.S.A., as saying: "During the years I have been a member of the Senate, I have received thousands of telegrams urging me to vote for appropriations—only three or four have urged me to vote against appropriations. Citizens must send telegrams, letters, postcards against extravagance; some neighbourhood must lead the way out of this suicidal swirl. Why not yours?" The journal goes on to ask: "Why not start Australian economy commit-

tees, and send telegrams, letters, and postcards to our members of Parliament. If committees all over Australia began to take a real interest in our legislature we, too, might achieve results." This is, indeed valuable publicity for electoral campaigners, who are urged to apply the idea immediately to the "Sane Defence Campaign." Letters to members on this most important issue are available at the above address, and a copy of the letter is reproduced below. Letters will be forwarded to the amount forwarded or requested. One penny per signature is to be collected for postage and finance. Campaigners will cover their initial expense, attend to postage and forward balance to the above address. Will you please do it now?

### ELECTOR'S LETTER TO MEMBER

Mr. ....M.H.R.,  
Canberra, A.C.T.

Dear Sir, —As a loyal citizen opposed to dictatorships, political or financial, I desire that you, my Federal Member, shall object strongly at the practice of the Federal Government borrowing from international financiers or their local agents—the private trading banks.

*In my opinion, these financial monopolists are primarily responsible for the war, and are the only ones likely to benefit from it.*

I direct your attention to Paragraph 504 of the Royal Commission on Banking, which states that *the Commonwealth Bank can make money available to Governments or other bodies at cost.*

This authority is indisputable, and I, therefore, desire that you immediately advocate in Parliament that this power be used to *protect Australia from the financiers' debt system, with its unnecessary taxation, consequent unemployment, and destitution.*

It is apparent that, while we have an army of unemployed—with vital national works curtailed; charitable appeals for soldiers, hospitals, and comforts fund—we are not making our maximum effort for national security. *I am also of the opinion, which is supported by history, that voluntary, well-paid national service gives greater efficiency, as well as being truly democratic.*

As finance is the vital matter, and as the above-suggested method of debt-free finance, which has been approved by majority decisions of three State Parliaments, will overcome the problem, I desire you to consider it as the paramount matter for re-presentation in Parliament.

I may add that I will take a serious view of failure on your part to do so when next you seek my support.

Yours in earnest,

Signed..... Date.....  
Address .....

Federal Electorate.....  
\* \* \* \*

Forms obtainable from: Secretary, "Sane Defence Campaign," Room 9, Floor 5, McEwan House, Lt. Collins Street, Melbourne.

Prices, 50 for 1/-, 100 for 1/6, or to any amount.

## SOUTH AUSTRALIAN NOTES

From Electoral Campaign Headquarters, 17 Waymouth Street, Adelaide.

### Recall of the Chairman for Re-election.

A petition to the above effect having been signed by the requisite number of members, the chairman submitted himself for re-election at a special meeting of the association, held at Headquarters on Wednesday last.

### "Defence Without Debt or Taxation."

"The Last Post" has just sounded for a very brave man—Mr. Downs, of Millicent. Half blinded, and often in great pain from his affliction, he was a tireless worker in the campaign, and the last word H.Q. had from him was a request for a further supply of demand-forms. Honourable mention must also be made of the work performed by Mr. Coombes, of Karoonda; Mr. Fitzgerald, of St. Peter's; Mr. Guy, of Forestville; Mrs. Greenshields, of Brighton; Mr. Thessinger, of Kilkenny; and Mr. Bottroff, of Ettrick Brae.

### Pamphlets For Sale

"The Story of the Commonwealth Bank," by D. J. Amos,

F.A.I.S. (This story has been revised and continued up to the outbreak of war in 1939. The pamphlet now contains 32 pages, and is essential to a proper understanding of the financial history of Australia. Prices: Wholesale, 8d; retail, 1/-; plus postage.)

"Problem or Swindle?" by K. Tavender. (Copies of this instructive little booklet are still available. The price is 10d., posted, or 5/4 per dozen, and the proceeds go towards educational work in South Australia.)

### Assistance Wanted at U.E.A. Headquarters

Owing to the increase of work, coupled with the fact that Eric Butler is in hospital, while Norman Rolls is in the country, it is essential that some assistance be offered at Headquarters. Those who feel that they can help in any way whatever are asked to get in touch immediately.

## A Story with a Modern Counterpart

(Continued from page 4.)

material in the grand procession which was shortly to take place.

"It is magnificent, it is charming, it is admirable," were the comments audible from all sides, and there was general satisfaction.

The Emperor graciously decorated the two crooks by his own hand, bestowing upon them the title, "Weavers of the Imperial Court."

All the night preceding the day of the procession the two impostors stayed up, working by the light of sixteen chandeliers. Everybody could see the pains they took to be in time with the Emperor's new clothes. At last, they pretended to take the material out of the loom. They began to cut in the air with two big scissors, and to sew with needles without any thread; and then they declared that the costume was ready.

The Emperor arrived with all his courtiers, and the two crooks, raising their arms as though they were holding something, said: "Here are the trousers; and here the coat; and this is the cloak, etc. It is light as a spider's web; so light that you would not believe that you had anything on at all. That is the beauty of this material."

"Just imagine!" said all the courtiers; but they saw nothing, as there was not a thing to see.

"Would your Majesty deign to have your august self undressed," asked the crooks, "so that we can try on the new costume in front of the large mirror?"

The Emperor let himself be undressed, and the two impostors pretended to give him one piece of clothing after the other. They took hold of him by the waist, as though to fasten something on to him: it was the Imperial train. The Emperor turned and turned in front of the mirror. "Great heavens, what a becoming costume, and perfectly cut!" exclaimed all the courtiers. "What a design, what colours, what a superb costume!" Then the First Master of Ceremonies announced: "The canopy

under which your Majesty will graciously place yourself for the procession is at the door."

"Good, I am ready," said the Emperor. "I do not think this is too bad," and he turned once more in front of the mirror, so as to seem to admire his own splendour.

He set out underneath his magnificent canopy, and everybody in the streets and in the windows exclaimed: "Are not the Emperor's clothes handsome? What a cut! What a wonderful train!" No one wanted to admit that they did not see anything. That would have been to declare themselves stupid or incapable.

Never had the Emperor's new clothes been such a success.

"But the Emperor hasn't any clothes on!" suddenly exclaimed a little child.

"Heavens, listen to the voice of the innocent!" said the father; and the rumour of what the child had said spread among the crowd; and, finally, the whole people shouted: "He has not clothes on at all!"

The Emperor shivered slightly, for it seemed to him that they were right; but he thought: "I must keep it up till the end of the procession."

And he tried to look still more majestic than before, while the chamberlains respectfully carried the train of the cloak that did not exist.

### MONEY

By STANLEY F. ALLEN,  
F.C.A. (Aust.).

Throughout Australia, in England, Canada, and New Zealand thousands of democrats have been delighted with this book. Get a copy NOW. Send 1/- to "Save The People's Bank" Campaign, Box 1226, G.P.O., Melbourne.

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## THAT COUNTRY TOUR!

Eric Butler in Hospital

### But Engagements will Be Fulfilled

We regret to announce that Mr. Eric Butler, who, with Mr. Norman Rolls, was to have left on Tuesday for an extended country tour, suddenly contracted a severe illness late last week, and had to enter a Melbourne hospital on Saturday.

However, engagements already in hand are being fulfilled by Messrs Norman Rolls and Ron Jones.

Part of the programme has already been covered.

For the benefit of country readers we publish the remainder of the programme:

In Bendigo until Sunday, February 4 During the week, from Monday, February 5, to Friday, 9, meetings will be held at Shepparton, Tongala and Kyabram.

MATHOURA: FEBRUARY 10.

ECHUCA: FEBRUARY 11.

Deniliquin has not yet been finalised as we go to press.

COHUNA: FEBRUARY 12.

Rochester and Lockington to be arranged.

KERANG: FRIDAY, FEBRUARY 16. Open Air Meeting.

SWAN HILL: SATURDAY, FEBRUARY 17. Open Air Meeting.

RED CLIFFS: MONDAY, FEBRUARY 19.

MILDURA: TUESDAY, FEBRUARY 20.

OUYEN: WEDNESDAY, FEBRUARY 21.