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THE NEW TIMES

"CATARRHEX"
Clean Up Catarrh.

A. Nasal.
B. Pulmonary,
C. Stomachic.

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Vol. 6. No. 19.

MELBOURNE, FRIDAY, MAY 10, 1940.

Every Friday 3

Behind The International Smoke-Screen

Reprinted from a series of articles appearing in an English contemporary. The author is Major C. H. Douglas.

Any objective observer of the direction in which Governments, both in Europe and America, are moving must, I think, be convinced that however apparently different their mechanisms, they are consciously or unconsciously moving towards a common end.

A COMMON POLICY

Perhaps the nature of this movement can be most easily appreciated if we regard the pressure, which is obviously being placed upon the nations in the direction of the surrender of their privileges to a World State, as being of the same nature as the steady filching away from the individual of the freedom of action and initiative, which he once had, in favour of the Bureaucratic or Police State. To see that the process is both continuous and conscious it is only necessary to recall and to compare the speeches of such politicians as Mr. Baldwin or Mr. Lloyd George with the words of Dr. Arnold Toynbee, to which frequent reference has been made, in regard to the undermining of national sovereignty, and his naive admission that "what we are doing with our hands, we are denying with our lips." Particularly since the Armistice of 1918, the two aspects of this policy, the regimentation of the individual and the internationalisation of Governments, have been pursued everywhere, and pursued along parallel lines and to a large extent by identical methods. So long as Germany showed any tendency towards decentralisation, she was exploited by Reparations and demands, any benefit of which, of course, went to the United States financiers together with considerable taxes paid by ourselves to the same recipients. When the idea had been well driven in that only a highly centralised Germany could become powerful enough to throw off external control by war, the power of a centralised Germany was built up by the Bank of England and other international financial sources. In the British Commonwealth the same drive towards centralisation by over-ruling the Australian States through the iniquitous Federal Loan Council and the Canadian Provinces by the finance-dominated Federal Government at Ottawa, was accompanied by punitive taxes upon the individual and the systematic ruin of businesses competing in any way with those deriving their finance from central sources. Thirty-seven new central banks were formed, and, in most cases, these were extra territorial, having all the privileges commonly reserved to the Embassies of a foreign power.

THE INDIVIDUAL AND THE STATE

It is a well-established feature of this policy, which is quite frequently called Socialism, to assume

as beyond discussion that the last person capable of judging what is good for him or even what he wants, is the individual concerned, and the logical extension of this argument is that the State (i.e., a Bureaucracy) is wise and the individual is of no consequence and has no rights. I am thoroughly conscious of the fact that reason has very little to do with the situation at the stage to which it has now arrived, but it is possibly not without value to examine its contemporary results. Clearly, if the centralisation of all initiative, power, rights and policy is sound, then the Dictator at the apex of this centralisation should represent the ideal of wisdom, education, and in fact, every other virtue which our civilisation is capable of producing.

LOGICAL SEQUENCE

Do we really think that Messrs. Stalin, Hitler and Mussolini, to mention only the more obvious of the Dictators, represent the last word in human progress? As M. Stalin was a Georgian peasant, Signor Mussolini a blacksmith, and Herr Hitler a house decorator (all of them much more respectable callings than those to which they have gravitated) are we to assume that the education and opportunities for travel which people have been accustomed to regard as one of the greater privileges of the so-called rich are, in fact, not merely useless but detrimental, since neither Stalin, Mussolini nor Hitler have any of them, and, so far as I am aware, have

(Continued on page 4.)

PRESS CUTTINGS

By "SCISSORS"

"SUN," May 1:—

Sydney, Tuesday —A surging crowd, estimated at 2000, blocked traffic in Foley-street, Darlinghurst, for some hours today. The crowd had answered an advertisement for fifty workmen for a circus. The crush was so dense that a fire-engine answering a call was forced to take another road.

(Some people say, "They don't want work.")

"ARGUS," April:—

"Overcrowded Hospitals, Only One Remedy. - - Erection of more public hospitals was the only way to relieve continued overcrowding and to ensure that beds were available for the growing number of accident cases, said hospital authorities. They said that cases similar to that of the injured man who waited on Wednesday while ambulance officials telephoned every public hospital in

YOU ARE BEING SWINDLED!

Tusmore, Sth. Aus.
26th April 1940.

The Editor,
New Times, Box 1226, G.P.O.,
Melbourne, C.I

Sir,

Readers of the *New Times* may be interested in the contents of the accompanying copy of a letter forwarded to my Federal Member. There is no copyright, and I think it would be a good thing if thousands of other responsible Australians took a similar stand.

A copy of the letter has also been forwarded to Senator K. C. Wilson.

Yours sincerely,
BRUCE H. BROWN.

* * *

Tusmore, Sth. Aus.
22nd April 1940.

J. L. Price, Esq., Federal
Parliament House, Canberra,
A.C.T.

Dear Mr. Price, —

At the opening of Parliament a few days ago you were informed by the Prime Minister that the Government's taxation proposals would fall on Parliament and the people with a sickly thud.

Now the fact is, that if it were not for the interest charges on the National Debt, we could immediately abolish all Income, Land, Estate, Sales, Entertainments, Unemployment and Motor Taxation; and any honest investigator will discover that more than 80% of the National Debt is fictitious. Indeed, I would go further, and say it is fraudulent.

Taxation is therefore being extorted to meet interest demands on a debt that should not exist

Apart from this, however, Sir Denison Miller showed that a war could be successfully conducted without reducing the living standards of the people, and without any necessity for burdensome taxation. He also showed, in the year 1920, how the people could be saved from the horrors of "depression," when he issued money to the community just as fast as the trading banks tried to withdraw it. In the face of these facts, which should be well known to every member of the Government, the latest taxation proposals are treasonable.

Presumably the Government's proposals are based on advice obtained from its financial and economic "experts," and if that be so, then it is as clear as day that the "advisers" are incompetent. Finance is only a matter of book-keeping, and anyone who suggests that the people's standards should be lowered in preference to improving our financial bookkeeping methods is a fit case for medical examination. For reasons, which are not apparent, the very men who advised the Government in 1931 to make the people poorer when the country was actually richer than it had ever been are still retained to give "advice" in the all-important matter of finance. It seems to me that if we really mean to put our best effort into the winning of the war, then the necessity is:—

(1) To accept the resignations of the members of the Bank Board and have them replaced by men of the calibre of the late Sir Denison Miller; and

(2) To accept the resignations of the out-of-date economists now employed as advisers, and have them replaced by men who can understand and appreciate the realities of the situation, i.e., men who have common sense enough to know that in a world over flowing with the bounty of God it is absurd to ask people to go hungry to fit in with obsolete ideas regarding financial bookkeeping.

I look to you, as my direct representative, to oppose taxation increases, and to insist that the credit of the Nation, which belongs to the Nation, shall be used for the purpose of financing the war effort without imposing any additional financial burden on the community at all. Unless we do this, the war can only result in defeat for the people and victory for the perpetrators of a financial confidence trick. That this is not the opinion of an irresponsible crank is confirmed by an article

(Continued on page 6.)

"ARGUS," April:—

"Adelaide. —The Bank of Adelaide records a profit of £71,392 in the year ended March 25, compared with £71,120 in the previous year. Dividend is maintained at 5½ per cent. An increase of £390,782 in deposits — while reflecting a SATISFACTORY YEAR ENJOYED BY PRIMARY PRODUCERS and secondary industries" etc. (My emphasis, further comment unnecessary.)

(Continued on page 7.)

WHY WAS SHE BORN SO BEAUTIFUL?

By "THE WALRUS."

The pleasant- exhilaration of the anniversary of the Birth of a Nation was still in my blood as well as other lingering effects of Anzac Day, when I was dashed into the dumps by a gloomy headline in my newspaper of April 27: "Doctor agrees that Australia is a Declining Nation."

Since the doctor was Dr. John Dale, Health Officer of Melbourne City, we can scarcely deny its competency, and hardly needed the corroboration of Mr. W. M. Hughes, who is from time to time distinctly worried by the same depressing manifestation. But it is encouraging, nevertheless, to observe that at the eleventh hour—if not, indeed, at the fifty-ninth minute—even the tough old crustacean of our political-cum-financial demagoguery is even prepared to admit that there is actually, a connection between national well being and individual well-being. Indeed, says Mr. Hughes, "The present system of fixing the basic wage is morally wrong."

Well, that is something, at any rate. For myself, I would have preferred him to admit that it was also mathematically wrong, for, somehow, people are much more readily influenced by mathematics on those rare occasions, when they readily perceive its findings, than by any moral consideration. They are not altogether prepared to admit anything so sweeping as that "Honesty is the best policy," though they may sometimes be induced to accept such a qualified form of the aphorism, as "Honesty is the best policy — after all!" They'll try everything else first.

AN IMPORTANT DIFFERENCE

This seems to me to express the difference between Dr. Dale and Mr. Hughes in approaching the serious question of national existence. Dr. Dale has grasped that national existence is only to be taken seriously insofar as it makes individual existence agreeable and progressive. Mr. Hughes hasn't made up his mind about that yet: he is merely alarmed at the plight of the individual because it appears to threaten the existence of that almost mythical figment The State. The cry about the immorality of the basic wage was wrung from an unwilling breast. For, "Perturbed at the figures released by the Commonwealth Statistician showing that the rate was again lagging, Mr. Hughes said that from now on the Arbitration Court, in fixing the basic wage, should presume it was for a single man. The increase then should be fixed for a married man and proportionate increases provided for each child. If it were felt that employers would not employ married men because of the higher wage rate, the additional pay should be provided from consolidated revenue."

"LITTLE DIGGER" NOT ORIGINAL

On the face of it, there is an equitability about this arrangement which is very attractive, seeing the amounts that have found their way into consolidated revenue which were destined elsewhere; but I fear the jealous custodians of this or any other fund won't stand for it, since the generation Mr. Hughes is so exercised about certainly cannot arrive in time to be effective in the present struggle. As far as that goes, Billy himself is a bit fed up with the unwillingness of pos-

C. FORD

The Caterer

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204 High St., Prahran

Telephone: Win. 6066.

terity to come into existence, and you get a hint of his peevishness in his observation that: "Economic reasons were not responsible alone for the small natural increase in the Australian population. The bringing about of psychological changes in the community would be the task of its religious teachers." Eden's apple for the teacher once again!

As usual, Mr. Hughes is not original. The topic of causation is laboured, now, as ever. There was once an ancient Greek who believed that food was not responsible alone for the well being of his horse. His endeavour to discover to what extent food was responsible was frustrated by the unexpected death of the horse. Mr. Hughes, who has inherited the findings of science since that time, is at any rate prepared to admit that economic causes cannot yet be eliminated.

EXPERIMENTAL PSYCHOLOGY

As for the wheeze about the religious teachers carrying out an operation of some kind on the psychology of the mob, the record of 1940 years of endeavour in this direction could scarcely encourage a politician, and a hardened one at that, to any degree of optimism. A good many teachers have had a stab at this change-of-heart business from trying to get some semblance of exaltation into the spirit of the subject by chaining him naked (at great expense) to a wall, gouging his eyes, tearing out his tongue, burning his miserable live body; next by subjecting him to a diminishing scale of persecution, and finally by ignoring him altogether.

The devil of it is he is impervious to any treatment at all. His heart refuses to register any softer emotion although his stomach continues to register hunger. Mr. Hughes, of course, may have some other psychological treatment in mind. A state of suspended animation is known to have proved costless from the alimentary point of view. It may be possible to hypnotise a man into doing a

day's work and waking to consciousness in the belief that he has just dined. Personally, I doubt it. I feel that prolonged hypnosis would have more success upon Sleeping Beauty or Rip Van Winkle lines. And even if it were possible for a grandiose experiment of this kind to succeed, I should be disinclined to welcome it. I don't like whiskers, especially when mixed with cobwebs, and women's fashions change so damnably that I cannot imagine myself going shopping with one just awakened, fully clothed, from a sleep of 100 years. Besides, heavy sleep doesn't suit many women.

That Mr. Hughes can still entertain the idea of psychological changes gives us the measure of his reluctance to admit the importance of mental and bodily security. And, in making any suggestions about child endowment out of any kind of revenue, consolidated or otherwise, he clearly doesn't expect to be taken seriously, for he is careful to tell us "He was expressing his own views." And that these views were not those of the savage guardians of the consolidated revenue, I have already hinted. You wouldn't have been slow to make the deduction for yourself, anyway.

STUDIED SIMPLICITY

There is a sort of studied naiveté about politicians which you don't find anywhere else, except maybe among a certain class of persons on the racecourse—I mean the man who, while never himself backing horses, is more than eager to put others on the road to fortune at the expense of the turf commission agent. I suspect Mr. Hughes of his share of that quality, for he has always steadily resisted the idea that a nation's wealth is measured by its capacity to produce goods and services. I have heard him inform the Constitutional Club that goods are not wealth until they are converted into money; whereas I, mug-like, had always believed that money wasn't wealth until it was converted into goods and services. And as for a costless production of a man-devised mechanism of distribution . . . Ye Gods! What next?

What next? I can't say. But evidently, before that, we are to have costless babies.

Insidious Federalism

M. Kadmi Cohen, French Jewish specialist on the Near and Middle East, at a recent luncheon given in his honour by the members of the Royal Central Asian Society, put forward a "solution" of the various Near Eastern problems—including the Palestine problem—by the establishment of a federation of Near Eastern States, including Turkey.

The People-Not The UAP -Will Decide

Melbourne *Herald*, April 30: — "Geelong, Tuesday. —The Corio capital branch of the U.A.P. is planning to unseat Mr. Dedman, M.H.R., Labor, who won the Corio by-election. At the adjourned annual meeting of the branch last night, plans were discussed for an intensive canvass and the conduct of group meetings in private homes . . ."

(Whilst venturing to predict that the new U.A.P. candidate will meet with a decidedly "warm" reception in many homes, we would

point out that the electors of Corio have only recently elected Mr. Dedman. Irrespective of what party they or their representative adhere to, it is now the duty of these electors to demand from their paid representative the results they want, and not what any party might decide is good enough for them. If the Corio electors are so foolish as to again change their M.P., no sympathy can be expected from their fellow-electors. Somehow, we don't think they will.)

Dust in Your Eyes

The British monetary system is, on the face of it, a somewhat eccentric contraption. Between some, inquiring Socrates from another planet and an economist instructed to explain its nature some such dialogue as the following might well take place:

Socrates: I see that your chief piece of money carries a legend affirming that it is a promise to pay the bearer the sum of one pound. What is this thing, a pound, of which payment is thus promised?

Economist: A pound is the British unit of account.

Socrates: So there is, I suppose, some concrete object, which embodies more firmly that abstract unit of account than does this paper?

Economist: There is no such object, O Socrates.

Socrates: Then what your Bank promises is to give the holder of this promise another promise stamped with a different number?

Economist: It would seem indeed to be something of that kind.

Socrates: So that in order to be in a position to fulfill its promises all the Bank has to do is to keep a store of such promises stamped with all sorts of different numbers?

Economist: By no means, Socrates—that would make its balance-sheet a subject for mockery, and in the eyes of our people there resides in a balance-sheet a certain awe and holiness. The Bank has to keep a store of Government securities and a store of gold.

Socrates: What are Government securities?

Economist: Promises by the Government to pay certain sums of money at certain dates.

Socrates: Sums of money? Do you mean Bank of England notes?

Economist: I suppose I do.

Socrates: So these promises to pay promises are thought to be in some way solid and more sacred than the promises themselves?

Economist: They are so thought, as it appears.

Socrates: I see. Now about the gold. It has to be of a certain weight?

Economist: No, but of a certain value in terms of the promises.

Socrates: So that the less each of its promises is worth, the more promises the Bank can lawfully make?

Economist: It seems to amount to something of that kind.

Socrates: Do you find that your monetary system works well?

Economist: Pretty well, thank you Socrates, on the whole.

Socrates: That would be, not because of these rather strange rules, but because it is administered by men of ability and wisdom?

Economist: It would seem that that must be the reason, O Socrates.

—D. H. Robertson, in the *Lloyds Bank Limited Monthly Review, London.*

PROCRASTINATION IS THE THIEF OF TIME

Have you ordered that EXTRA copy of the "New Times" yet?

THE TRUTH ABOUT WAR FINANCE

By JAMES GUTHRIE, B.Sc.

(A Broadcast Talk from 7HO, Hobart, on May 5.)

Last Sunday I discussed a statement by Mr. Spender, Commonwealth Treasurer, in which he suggested that if we take men away from the farms and factories, and put them into the fighting forces, then we shall have so much less potatoes and boots on that account. And I think I was able to show you that not only were that NOT the case, but the actual reverse of the facts. And I quoted the case of England during the last war, when, with over eight million men under arms, England was able actually to increase her agricultural production and to produce goods of a range and quantity never reached before or since the war.

And after writing that broadcast, news came over the air from the B.B.C., saying that the new land brought under cultivation in England since this present war started was over two million acres.

Now, these facts are very important, because only by a knowledge of them can we discuss intelligently the question of war finance and taxation.

How was this colossal effort by England financed during the last war? A small portion of it was financed by taxation, but only a small portion. You can imagine eight million men under arms would not contribute much to taxation. Most of the war effort was financed by loans.

Apart from the American debt, England ended the war with a £7,000 million war debt . . . That was the amount she borrowed. Now, as there was only about £1,000 million deposited in the banks before the war, where did that 7,000 million pounds of money, spent by the Government, come from? It must have come from somewhere.

Actually, most of it was created out of nothing by the banks; it was credit issued by those private banks, which had previously prevented the British Government from issuing its own money.

The private banks own 80 per cent, of the last war loan, for which the taxpayer has been paying—and paying for more than twenty years—£250 million a year in interest, without paying off one penny of the original debt. And, don't forget, England is still paying interest on the money raised to fight the Battle of Waterloo!

The fact that the private banks subscribed the greatest amounts to the War Loans was carefully camouflaged by many private, subscriptions. Let us take a typical case:

CAMOUFLAGE

Suppose an ordinary man wanted to subscribe, say, £100, and he did not have that amount in cash. He could mortgage his house to the banks for that amount. The bank lent him the money at 4 per cent and he got 5 per cent, from the war bonds. Then, when the next loan came round, this man deposited his war bonds with the banker and, on their security, repeated the process and received another £100 worth of bonds.

This process he repeated, say, five times so that in the end he had £500 worth of bonds on his original £100 worth of security. The bonds would be in the name of John Smith, but the bank would draw 80 per cent, of the dividends.

John Smith, of course, would do very well out of the deal—for a while. In 1920 the banks curtailed credit. Industry collapsed; the bank rate went up to 9 per cent; nobody could get money, even at that price; in a desperate attempt to get ready cash, most of the bonds were flung on the open market at the same time, and the only people who could create the

necessary credits—the private banks—scooped the pool. John Smith's little "divvy" didn't last long, and now he has the privilege of paying the interest on the debt—through taxation. And he is going to be asked to pay more, and the British papers this week say he is delighted to do it!

Now, it should be perfectly obvious that the last war was not and could not be financed out of savings, nor was it financed out of taxation. It was financed by *new money* created, for the most part by the *private* banks.

CRUEL SWINDLE

That credit was the *national* credit, expanded to meet the huge additional effort made by the British people during the last war. That credit belonged to the British people—but was claimed by the private banks as their own. That credit should have been issued on behalf of the British people and cancelled out of existence when the war was over. It was against all principles of decency and justice to present a bill for £7,000 million to the soldiers and sailors when they returned from the war and to ask them and their children to pay interest on their own army pay, and on the cost of the shells they had fired. But it was an act of cold-blooded cruelty to prevent these same people from ever paying off their debts by restricting credit after the war, and thus stopping their only means of payment.

Various bank directors and their spokesmen have asked us to believe that the British people, not the banks, supplied the £7,000 million for the Government to spend during the four years of war—and this when they were fighting for their very lives. Yet, during the twenty years of peace, the British people have been unable to raise sufficient to pay off one penny of that debt, and with no war on their hands. Funny, isn't it?

It is a very interesting point, isn't it? You want to put that question to one of your banker friends, or try it on a professor of economics—but not in public.

WHY, OH WHY?

Another question which will have to be answered in the very near future is: Why is it that the new money *created* by the banks out of nothing and lent to the Government gets 3½ per cent, interest paid on it, while the money which we *earn* by our own labour and which is taken from us in taxation, that is, confiscated, receives no interest at all? There is obviously something very seriously wrong here; and I think you

and I could alter the position if we cared to exert the necessary pressure.

All public money—that is, bank-created credit based on the war effort of the people—should be issued by the Commonwealth Bank for the production of war materials, and when paid into the bank again should be cancelled so that no debt is left behind. Thus there would be a financial transaction, which represented physical facts. Work is done—money is paid out for it—the shells are blown up and the debt is cancelled. No assets and no debts remain. That's sound, isn't it? The war is finished, and we start our work of peace owing no man any debt but the soldiers and the families who suffered in the war. And since we have no bankers to pay, we may be able to give the soldiers and their families a fair deal.

TAXATION FUTILE AND DANGEROUS

If there are any people who believe that war can be financed to any important degree by taxation, then they had better reconsider the facts. The Government requires £70 million extra to carry-on during the coming year—about one-and-a-half million pounds a week. Now, the entire profits of Australia's three greatest industrial monopolies—Broken Hill Pty. Ltd., the Colonial Sugar Refinery Co., and the British Tobacco Co.—their combined profits do not come to three million pounds per year—only enough to finance two weeks of war.

Ninety per cent, of the population exist on such small margins that any inroad into their incomes would seriously reduce the morale of the country. The top 5 per cent, are already so heavily taxed that very little extra can come from there. The only future source of large increase in taxation is from those just above the bread line—those who are struggling to pay off the mortgage on their house or farm.

The extra taxation will stop the payment of these mortgages, thereby ensuring that a large and important section shall remain slaves to the financial institutions.

That is what is called *communisation*—ensuring that nobody shall have private property—that is the essential condition of servitude. The confiscation of property by taxation is the first step to communism. It has been the policy of the financial institutions for many years now. The ideas and aspirations of our financial dictators and those of the communists are identical—the evidence for that is monumental.

WAR ON TWO FRONTS

Meanwhile, it is well to realise that we are fighting two wars at the one time—an enemy without and an enemy within. An enemy who would destroy the independence of our State and an enemy who would destroy the independence of our homes. Communism means a propertyless people, and its chief instrument is confiscation by taxation.

Isn't it strange that every step taken by our Governments, Labour or Nationalist, always plays into the hands of the financial institutions? One would almost think that the banks made the laws of the country. This brings to mind a statement of Meyer Rothschild, founder of the Rothschild chain of banking houses. He said: "Permit me

to issue the money of a nation and I care not who makes its laws."

Thomas Jefferson, President of the United States, confirmed this statement of Rothschild when he said: "If the American people ever allow the private banks to control the issuance of their currency, first by inflation then by deflation, the corporations that will grow up around them will deprive the people of all their property, until their children will wake up homeless on the continent their fathers conquered."

A homeless people is a broken people. And taxation will break our people, unless we watch it carefully.

ARE WE FIGHTING THE GERMAN PEOPLE?

In the early days of the war, fairly widespread publicity was given to the suggestion that we were fighting the German government and not the German people. It was considered that most Germans did not recognise, or that they would not, in freedom, support, the policy of their government.

There is now far less publicity given to this suggestion, and, on the other hand, one commonly reads that people and government in Germany are united and that both must be taught a lesson.

It is possible that certain people now think it best not to emphasise the first suggestion, as thereby there might spread a realisation that it characterises other countries besides Germany: that even in so-called Democracies the mass of people do not, through the years, formulate the government policy.

Debt Drops in Alberta

The Hon. Solon E. Low, provincial treasurer, in his speech introducing the budget for the next fiscal year, quoted figures to show that the public debt, funded and unfunded, at March 31, 1936, was 158,081,000 dollars; at March 31, 1939, it was 154,994,000 dollars, and at December 31, 1939, 150,408,770. The decrease in the net funded and unfunded debt in the period amounts to 7,672,229 dollars. During the Government's term of office, increased taxes had been levied only on corporations.

If the purchase of new passenger motorcars is a dependable index of general prosperity, the people of Alberta were better off last year than those of any Province, except Ontario. A new car was bought for every 99 persons, while in Ontario the figure was a new car for every 82 people.

QUEENSLANDERS!

The "New Economics Broadcasting Committee" invites you to listen in to:

4SB, KINGARROY,
EVERY WEDNESDAY NIGHT
from 8 o'clock to 8.15.



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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FRIDAY, MAY 10, 1940.

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THE "MARGARINE MENACE" AGAIN

What About The Money Menace?

The "margarine menace" is figuring in the news again. Mr. Hyland, Victorian Transport Minister, unburdened his views on this subject when opening the forty-seventh annual convention of the Australian Institute of Dairy Factory Managers and Secretaries at the Exhibition on Tuesday, May 7. He is reported as saying that he advocated a complete prohibition of the manufacture, importation, and sale of margarine in Australia.

As we have pointed out so often in the past, when dealing with this subject, people do not eat margarine in preference to butter. They are forced to buy the cheapest commodity available, and, failing to procure margarine—if Mr. Hyland's suggestion is adopted—they will either have to use a smaller quantity of butter, or, if they do use the same quantity and pay the higher price, compared with what they have been paying for margarine, they will have to go without other essential commodities.

The entire trouble is a money shortage. If the people had adequate purchasing power, most of the so-called menaces we hear so much about would quickly disappear. It is quite apparent that these dairy advisers know very little, if anything, about money.

In the report mentioned we note the following gem, which was contributed to the conference by Mr. F. Wigan, Supervisor of Dairy Exports. He feared "that when the war was over and money was scarce, there would be an even greater swing towards margarine." Yes, read it again. We could hardly believe our eyes.

Why should money be scarce? Butter takes some physical effort to produce, and, war or no war, there is no suggestion that there is any likelihood of a butter shortage. Then, why should there be a money shortage?

Because the great majority of our "leaders," whether they belong to the political sphere, the industrial sphere or the primary producers' sphere, are in complete ignorance of the fact that money is not wealth, it is only a claim to wealth, and is practically costless to create.

The dairy farmers, like every other section of the community, are fighting a money menace. Will someone inform Mr. Hyland and Mr. Wigan?

The Watchman" and the Japanese Bogey

An amazing article appears in the January 13th issue of the *A.B.C. Weekly*, which declares that Japan is spreading her tentacles further south, and that her persistence and the extent of her attack are not fully realised.

The article, which is entitled, "Japan's Drive Southward," is adapted from a talk by a gentleman who is well known to radio listeners as "The Watchman." He bases his views on the fact that Japan has signed an agreement with Thailand (Siam) for a regular air service between the two countries.

A peculiar feature of the article is that, in attempting to substantiate his case, "The Watchman" quotes a prophecy, the fallacy of which is now self-evident, because of its unfulfilment. The following is the prophecy made in a broadcast address in 1937:—

"Japan may seize Hong Kong, Siam and Singapore in the event of a European war."

It is remarkable that "The Watchman" has not dilated on the fact that the European war has already arrived; yet Hong Kong, Singapore and Siam have not been seized.

"The Watchman" also says that the Japanese forced the Siamese

to close the Chinese nationalist Kuomin Tang organisation. The innuendo is that the closing of the Kuomin Tang was an improper act, but "The Watchman" is evidently unaware that the British Government closed the Kuomin Tang throughout Malaya—a territory immediately contiguous to Siam. It was the Governor of the Straits Settlements, and the Federated Malay States (Sir Cecil Clementi) who, after experiencing the subversive activities of the Kuomin Tang when he was Governor of Hong Kong, declared the Kuomin Tang to be an improper, and, therefore, illegal, organisation. He had in mind the fact that the self-same Kuomin Tang—almost a replica of the Comintern—had demanded that he surrender the British Colony of Hong Kong. But the Governor answered "No" and he meant "No."

Evidence of a more substantial nature than an unfulfilled prophecy, an air service to Siam, and the disbandment of a revolutionary organisation are required to prove that Japan has unlawful designs southward. If "The Watchman" has such evidence, he would be well advised to heed the ecclesiastical injunction, "Let him come forth and declare it or forever hold his peace."

BEHIND THE INTERNATIONAL SMOKE-SCREEN

(Continued from page 1.)

never been outside their own countries. Is there any sound ground for assuming that the emergence, probably with the conscious and calculated assistance of international finance, of three Dictators of this type almost devoid of any knowledge of countries other than their own, is an accident? I do not think that there is. But there is every reason to suspect that the reply given by Disraeli to a critic of one of his Chancellors of the Exchequer, "My dear fellow, of course he knows nothing about Finance. No Englishman does. That's why I appointed him," is the explanation of the rise of the Dictators, rather than their transcendent abilities, or their desire to represent the best interests of their fellow men.

NO ACCIDENT

I find it difficult to believe that any serious student of affairs can accept the proposition that it's just an accident that socialised Italy lost no time in attacking and annexing Abyssinia, socialised Germany took about four years in which to embark on a career of barefaced gangsterism, and socialised Russia marched to the "emancipation," by means of bombs and high explosive, of the poor down-trodden Finns, thus causing Great Britain to pass an Emergency Powers Act, all neatly prepared, centralising all the forces of the community — and sweeping away the hard-won privileges of centuries of struggle—an Act so outrageous in its provisions that an infuriated House of Commons demanded and obtained the repeal of some of the worst of them. The ostensible excuse for all of these attacks on liberty is the same—economic and political necessity. This economic and political necessity is ascribed by one Dictator to the machinations of the other. First Mussolini and Hitler have to make guns, instead of butter, to keep Europe safe from Stalin, and the British Labour Party demands an alliance with Stalin to keep the world safe from both of them. Then Hitler and Stalin combine to rescue Europe from the British Labour Party. I don't know at the moment who Mussolini is rescuing Europe from, but I do know who is getting the power and the money which is coming from the fantastic taxes being levied in every country whether at war or not.

WAR COULD HAVE BEEN PREVENTED

Any intelligent child of six years can see, however, that if the individuals comprising each of these countries had refused to surrender to "their" Governments and Financial Institutions the civil and economic rights of property and person which belong to free men, Mussolini, Stalin, and Hitler would be minding their own business, and the rest of us might have an opportunity to mind ours.

If there is any hypothesis, which will explain the events of the twenty years between 1918 and 1938, other than that which includes a conscious preparation for the resumption of the War for the still further benefit of those who were the primary beneficiaries of its first phase, I am not familiar with it. Had it been desired to prevent another world war it could have been done by a few simple financial adjustments, by the raising of the standard of living in Germany while preventing the growth of a powerful central-

ised authority there, by the rapid reduction and abolition of taxation, both local and Federal, in every country, and by the education of the population of every country into an appreciation of the relationship between employment, production and leisure.

NOT STUPIDITY

No one is likely to underrate the power and the prevalence of plain stupidity in political affairs. But anyone observing the steady and obviously conscious misrepresentation of the facts of economics and political economy, the vicious attacks made upon any professional economist unwilling to "toe the line" so scrupulously followed by Economists of Repute, the determination to retain an unprivileged or even starving section of the population so that it might be used as an excuse for reducing the privileges of that portion of the population representing the advance which man has made over his environment, must agree that stupidity in the ordinary sense is not a sufficient explanation of what has occurred. It is too obvious that a policy of general enslavement, carrying with it bribes, some of considerable value, to politicians and officials who were willing to further it, and penalties for any who would oppose it, has been pursued systematically.

ABSTRACTIONISM

A reader of the *New Times* who arranged to have the telephone connected to his home, received a long typewritten letter from the Deputy Director of Posts and Telegraphs the day after installation, to which the subscriber has replied as follows:—

"Dear Sir, —I have received your kind letter, in which you state that the department (with a capital "D") is pleased that I have become a telephone subscriber and that it will spare no effort to provide a service which will meet with my approbation. I must admit that I am unable to guess what the department looks like when it is pleased; but I am anxious to co-operate for efficiency of service, as you suggest, and with this end in view I shall be glad to have a drink with the department at a time when both of us feel thirsty and free to drink to the bonds of friendship. I want to compare its effort with my own. I am enclosing my photograph, and I would like the department to reciprocate, as this will enable us to recognise each other when we meet by appointment, to foster that spirit of goodwill, which ensures efficiency in the telephone service.

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ANOTHER SINISTER MOVE IN AMERICA

"Wall Street" to Finance Belligerents

By ERIC D. BUTLER.

I wonder how many people read in their daily paper last week one of the most significant reports since the war began? It indicated as almost certain that financial interests will be able to persuade or force the United States Government to allow loans to be made to the belligerent nations. Of course, we are being told that this is for the purpose of helping the Allies. Yes, no doubt. We heard a similar statement when the same groups had the American Arms Embargo lifted upon the outbreak of the conflict. But that does not alter the fact, which even the daily press has admitted, that American exports to Germany, via the neutrals, have been at least three times greater than exports to the Allies. And with Dr. Schacht, American-trained banker, and Max Warburg and Co., still operating in Germany, we can rest assured that they will not be forgotten when the credits are distributed.

This latest move is another example of the manner in which International Finance, with its headquarters in New York and its representatives in every country of the world, including Germany, in gaining a complete financial stranglehold on the entire world. If the American Government is forced to allow this latest suggestion to become a reality, not only will the international gangsters be arming both sides, they will also be financing both sides. So, while Western Europe exhausts itself, most of the belligerents will be coming more and more under the control of International Finance. No doubt they will then attempt to foist their World Government — "Federal Union"—upon the various nations.

The propaganda for this insidious idea is being speeded up; even one of the canned radio plays, which the children of this country are having their minds poisoned with is spreading the idea of an *international* police force. I have no doubt that this is all in line with the general policy.

The amazing thing about this latest move in America is the fact that very few responsible people appear to regard it with any more than passing interest; in spite of the tragic results, particularly for the British people, of the same policy pursued during the last war.

WE ARE NOT IGNORANT — NOW

Although the British people entered the last war in almost complete ignorance of the private banking swindle, we have no such excuse in this conflict. During the last war International Finance made its first move towards a central world government. It was called the League of Nations. But, behind the League of Nations there was the Bank of International Settlements. This was linked up with the Central Banking system, an idea of Mr. Paul Warburg's, of Kuhn, Loeb and Co., Wall-street. Australia was also betrayed by her "leaders" to this system of world financial dictatorship. We might with advantage refresh our minds on what happened. The first step to bring Australia under this central banking system was taken with the emasculation of the Commonwealth Bank by the Bruce-Page administration in 1924. It was soon after this that Mr. Bruce paid a visit to London and, according to the London *Times*, expressed himself as follows: "The intention is that the board (Commonwealth Bank Board) shall control credit in Australia, as the Bank of England regulates it in this country and advice is now

being sought from officials of the Bank of England as to the exact steps necessary to bring about a fully effective central banking system."

And there are still people who mouth platitudes about self-government in this country. Here we have an open admission that the money supply of this country is controlled from London. Didn't Sir Otto Niemeyer arrive in this country during the Great Depression to speak on behalf of our masters on the other side of the world? He told us that we were a poor, poor nation, and that we must make sacrifices. Ye Gods! And we were producing more real wealth than we had ever been producing before. But the Bank of England dictated financial policy. And behind the Bank of England is the sinister influence of Wall Street.

AFTER THE LAST WAR

We don't hear much about Sir Otto these days; but, I have not the slightest doubt that he is carrying on the good work and striving for the establishment of this new world tyranny. He was the man who, with Lord Reading (Rufus Isaacs), visited America after the last war to make arrangements about Britain's debt to America. He is connected with practically every international banking firm in the world. The result of his visit to America to "fix" Britain's debt was to thoroughly "fix" Britain more firmly under the control of the financial gangsters in Wall Street. Even an American authority was quoted, as follows: "When, by a strange combination of ineptitude, the so-called debt was suddenly funded on terms which astounded the astute United States' Treasury officials themselves, this extraordinary *faux pas* of the British Government, acting through its representatives, not only fastened a colossal burden upon the English taxpayer for this generation and two or three more to come, but also made the lot of every allied nation much harder."

Apparently we are now going to see a repetition of the swindle on a bigger scale, with a result which can only place the entire British Commonwealth of Nations further under the domination of international finance. And remember that Newfoundland, the oldest British colony, lost its democratic government a few years ago as a result of its war debts. Such is the price of "patriotism"!

A BRIEF LOOK AT THE SWINDLE

What exactly did "American" financiers lend Britain during the last war? What are they likely to lend them during this

war, if the embargo on loans to belligerents is repealed? They certainly didn't send them over any dollars during the last war, because wars are not fought with dollars. They are fought with men and materials. They didn't even send many men—but dictated the "peace." They openly say that they are going to repeat the performance. By the very simple process of creating credit the Wall Street bankers were able to make American credits available in America to the British Government. With these credits the British Government was able to make purchases of war materials in America. By this very simple process Britain was going deeper and deeper into debt to American Finance. And more important, there was also an interest bill to be paid. This is the real tribute finance demand upon a debt, which is completely fictitious. Now, looking at things in the realistic sense, Britain could have easily paid this debt after the war. The only sensible suggestion put forward was that Britain undertake to supply goods in repayment of the debt, at the same rate, and over the same time, as America had supplied goods to Britain. Unfortunately, with the British Government pinning its faith in such "experts" as Sir Otto Niemeyer, there was no chance of such a sensible thing being done. Apart from that, the American people, like the people of other countries under the domination of the private banking swindle, have great difficulty in even buying their own goods—much less millions of pounds' worth of goods from other countries. Finance is acquiring a lien over the whole world by the simple process of creating practically costless credit. In the meantime nations are seeking to export goods, which no one can buy. Debts are never paid, but the interest bill goes on year after year. No wonder the British people have been bearing a "colossal burden" as a result of the treachery during the last war.

WHAT NOW?

There is no disputing the fact that things are serious. The immediate task confronting the British people is to take control of financial policy, so that their materials and manpower are utilised to the greatest pos-

sible extent. The same thing should be done in every British country.

Assuming that the British people are determined to win the present conflict in a military sense, a drastic change of financial policy is absolutely essential. "Leaders" whether they are in Britain or Australia, who talk about sacrifice, when we are not putting forward even a quarter of our potential maximum effort, should be publicly charged with treason. The position is too desperate for mere platitudes. If these men can't do something better than they are doing, then they should be forced to make way for those who can.

In the meantime, as a result of this latest proposed move, I have no doubt that the British people will be pawned a little more to Wall Street. Mr. Casey will no doubt tell his banking friends in Wall Street what a "wonderful field for investment exists in Australia" (Melbourne *Sun*), and by the simple process of creating credit, the financiers will proceed to allow us to buy goods in America. Those who survive the conflict will then have the pleasure of paying the interest on this debt for the rest of their lives, without perhaps even reducing the debt itself by one penny. If the financiers keep the money supply short in America, the Australian people, along with the rest of the British people, will have to sell their goods there at a ruinous price to try to pay interest commitments.

Of course, we could do what one bright friend of mine suggests: Take all they are prepared to give us, and when the war is over, inform them that we will pay them back with goods and wipe out the entire debt. Unfortunately, if the World Government plan goes over, "backed by overwhelming force," we might have the proposed, International Police Force out here to put us in our place. A suggestion of using force against Alberta has been made lately in several quarters, and, with Mr. Mackenzie King in closer collaboration with the American Government — i.e., Wall-street—there would be nothing surprising in that.

The only thing which surprises me in these days is the number of people who, in spite of a chain of sinister moves, all

(Continued on page 8.)

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YOU ARE BEING SWINDLED!

(Continued from page 1.)

in the *Economist* of the 27th January, 1940, from which the following is an extract:—

"It was suggested last week that for genuine savings the Government should offer about 3%. There would be no justification whatever for the payment of so high a rate on created credit. Normally, when a bank creates credit by making an advance on good security it is performing the necessary and valuable function of turning illiquid wealth into liquid credit, and it is entitled to the going rate of remuneration for that service. *But in the circumstances here envisaged it would be the community's credit that would be liquefied, and the community, represented by the Exchequer, would be entitled to require that the rate of interest should be no more than the cost of handling the funds—say, ½% per annum*" Note particularly the part italicised.

All moneys extracted from citizens through taxation are genuine "savings," and should carry interest in precisely the same manner as loan bonds. But "created credit," which constitutes most of the National Debt, costs nothing, and consequently any Government, which allows such credit to be written up against the community as a debt on which perpetual tribute is to be paid to a private monopoly is a party to the perpetration of a gigantic swindle.

The booklet recently issued by the Department of Information in the name of Mr. Spender, as Treasurer, clearly indicates that he was being used to write on a subject about which he was insufficiently informed, and calls to mind the reply Disraeli made after listening to criticisms of one of his Chancellors of the Exchequer, as follows:—

"My dear fellow, of course he knows nothing about finance. No Englishman does. That's why I appointed him."

Unfortunately, it is true that the great bulk of the men of England, as well as the men of Australia, have not yet taken the trouble to look into this question of finance, but it can be said without hesitation that when they do look into it some of those in whom they have hitherto put their trust and proved unworthy of it will wonder what has struck them. I strongly object to public funds being used for the dissemination of propaganda of the Nation's greatest enemy, namely, the private monopoly of the public credit.

Will you please read this letter on the floor of the House, and if you feel unequal to the task of substantiating what I have written, then I should like the opportunity to appear before Parliament to speak for myself. A few notes, which you may find helpful, are forwarded herewith. With best personal wishes. Yours sincerely,

BRUCE H BROWN

Sir Herbert Gepp, speaking to the Constitutional Association in Sydney, on May 30, 1938, said this:

"The so-called mysteries of banking, finance and economics are mysteries only to those who will not take the trouble to try to understand. The colossal ignorance today of economic fundamentals is the gravest danger to the continuance of democracies"

Section 51 of the Commonwealth Constitution Act gives the Federal Parliament "power to make laws for the peace, order and good government of the

Commonwealth with respect to: (xii) Currency, coinage and legal tender; and

(xiii) Banking, other than State banking; also State banking extending beyond the limits of the State concerned, the incorporation of banks, and the issue of paper money."

(Paragraph 205 of the Report of the Monetary and Banking Commission.)

"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 the central bank its special 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 the power to print and issue notes as legal tender money, and every obligation undertaken by the Commonwealth Bank is backed by this power of creating the money with which to discharge it.*"

(Paragraph 503 of the Report of the Monetary and Banking Commission.)

"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 the 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.*"

(Paragraph 504 of the report of the Monetary and Banking Commission.)

"The general objective of an economic system for Australia should be to achieve the *best use of our productive resources*, both present and future. *This means the fullest possible employment of people and resources under conditions that will provide the highest standard of living.* It means, too, the reduction of fluctuations in general economic activity. Since the monetary and banking system is an integral part of the economic system, its objective will be to assist with all the means at its disposal in achieving these ends."

(Paragraph 516 of the Monetary and Banking Commission's Report.)

"... Much would depend, on the relations established between the Commonwealth Bank and the Commonwealth Government, *which is responsible for monetary policy...*"

(Paragraph 528 of the Monetary and Banking Commission's Report.)

"... *The Federal Parliament is ultimately responsible for monetary policy*, and the Government of the day is the executive of the Parliament..."

(Paragraph 530 of the Monetary and Banking Commission's Report.)

The late Arthur Kitson, noted engineer and inventor, who carried on a battle against the money power for 48 years, said, "The money question is the greatest moral and social question which mankind has ever had to consider. It concerns the lives, fortunes,

and happiness of every human being in society and all generations yet unborn. All other questions sink into insignificance compared with this one.

"Money is the life-blood of trade and commerce, and unless there is an ample supply to meet the growing demands of trade, enterprise is checked, trade is depressed, and the public is unable to secure and to enjoy the abundance of the necessities and good things of life which inventors and scientists have been able to provide."

Extract from a report issued by the Southampton Chamber of Commerce:

"Thus, from whatever angle it is viewed, we have the situation of widespread industrial trade stagnation, with producers capable of production and millions in want of the very things which can be produced in abundance. In the prima facie evidence the fault in the economic system lies in the machinery responsible for the transfer of the goods from productive industry to individuals of the community. *This link between production and consumption is money.* In order that it should function smoothly the quantity of money should always be sufficient to provide the community with purchasing power to have access to the goods available. *As the creation of money by the banking system can be effected as and for any purpose they consider desirable, it would seem that a power nothing less than the control of the entire economic activity of the nation is vested in a private monopoly.*"

Two statements by the Chairman of the Midland Bank Ltd. (the largest trading bank in the world) show clearly that the Southampton Chamber of Commerce is right. He has said, "The Bank of England and no other power in heaven above or earth beneath is the ultimate arbiter of what our supply of money shall be"; also, "The regular expansion of money supplies which *must* be undertaken if trade is to be active and the price level stable has not been, *permitted*. As a consequence, British prices, and with them the world level of prices have tended steadily downward."

Money is manufactured by banks, just as boots are made by boot makers. Bank credit serves all the purposes of coined money, and for all practical purposes is money. The *Encyclopedia Britannica*, Fourteenth Edition, in the section dealing with "Banking and Credit," says:

"Banks create credit. It is a mistake to suppose that bank credit is created to any extent by the payment of money into the banks. *A loan made by a bank is a clear addition to the amount of money in the community.*"

Mr. R. G. Hawtrey, Assistant Secretary to the British Treasurer, says: "The banker creates the means of payment out of nothing."

The actual fact is that the making of money is a private monopoly of the banking system.

H. D. MacLeod, M.A. a noted authority on banking, has declared, "The essential and distinctive feature of a bank and a banker is to create and issue credit payable on demand, and this credit is intended to be put into circulation and serve all the purposes of money. A bank, therefore, is not an office for the borrowing and lending of money; it is a manufactory of credit."

"Bankers are not dealers in money. *They never lend money.*"

(Continued on page 8.)

ERIC BUTLER ADDRESSES THREE MORE SUCCESSFUL MEETINGS

Northeast Tour To Begin

Eric Butler has addressed three more very successful meetings since those reported in our last issue. The general response at these meetings was clearly indicative of the rising tide of public indignation in connection with increasing taxation. The meeting at Yarra Junction last Sunday night was outstanding; in fact, one supporter who was present said that Eric Butler gave the finest address heard for some time. Those present were gripped with the seriousness of the situation and unanimously decided that they must act.

DANDENONG MEETING

Dandenong has always had a reputation for being conservative, and lived up to its reputation on Thursday, May 2. However, the audience was bigger than at any similar meeting in recent years. Many interesting questions were asked literature was sold, "while quite a few demand-forms were taken by those present.

YARRA JUNCTION

This meeting was the result of that rare thing—individual initiative. One supporter, Mr. P. Spehr, accepted his personal responsibility and undertook to organise the meeting. As a result of the meeting Mr. Spehr will have some willing assistants in the future. Although Yarra Junction is only a small centre, approximately 100 people listened with rapt attention to Eric Butler for nearly three hours and, in spite of the cold night, still wanted more. Mr. Ron. Jones, who motored Eric from Melbourne for the meeting, also gave a brief address in opening the meeting. The chair was taken by the Shire President, who expressed his great delight with what he had heard, and, further, said that he would have no hesitation in sending the demand-form to his old schoolmate, Mr. W. Hutchinson, M.H.R. After the meeting literature was sold out in a few minutes, demand-forms were taken home by the audience to get the signatures of relatives and friends, new readers to the *New Times* were signed up, while many expressed a keen desire to have meetings in surrounding centres as soon as possible. Now, as already mentioned, all this was made possible through the efforts of one individual.

Surely there are more individuals in other centres near Melbourne who could arrange a Sunday night meeting?

PRESTON A.N.A.

Last Monday night Eric was the guest speaker at the Preston A.N.A., and once again the meeting resolved itself into an endurance test for the speaker. Question after question was answered to the great satisfaction of those present. Only the lateness of the hour finally stopped the meeting. Once again literature, particularly Eric's own book, was in keen demand. Some demand forms were signed at the meeting, while many were taken away.

NORTHEAST TOUR

Eric Butler and Norman Rolls hope to leave for a tour of the Northeast next Monday, although they may leave earlier if possible. Meetings are arranged as far north as Albury—with a possible address to the Y.M.C.A. in Wagga. Meetings have been arranged as follows: Buffalo River, Myrtleford, Yackandandah, Beechworth, Albury (public meeting and possible address to the Apex Club), and Tatura. As the campaigners have to be back in Melbourne before June 6, it is essential that all those desiring a meeting should write immediately to the United Electors of Australia, 5th Floor, McEwan House, Little Collins-street, Melbourne.

All supporters throughout the Mallee and Wimmera are asked to note that Eric Butler will tour this area late in June. Those desiring meetings would be helping considerably by contacting headquarters and making arrangements well in advance.

A WORTHY EXAMPLE

Mr. P. Toomey, of Kingaroy, Queensland, sells one dozen copies of the *New Times* every week as a personal contribution to the paper. Surely there are others who could take a dozen or so copies every week to sell to their friends. If only a comparatively small number of supporters did this, our sales would show a remarkable increase. What about it? You don't need to be a salesman. The goods will sell themselves.

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PRESS CUTTINGS

(Continued from page 1.)

Describing the growth of the City Mutual Life Assurance Society Ltd. during the past forty years as a record of splendid progress, the chairman of directors told policyholders at the sixty-first annual meeting in Sydney recently of the confidence with which the directors faced the war. Said the chairman: "The foregoing records of the growth of the Society over a period embracing THE FIRST GREAT WAR, A DEVASTATING EPIDEMIC OF DISEASE, AND A DISTURBING DEPRESSION, ARE QUOTED AS THE BASIS OF THE CONFIDENCE with which your directors face another war, involving our Empire and some of the principal nations of the world."—"ARGUS" and "SUN." (My emphasis.)

(Spawned from the womb of poverty and insecurity, the gamble on the lives, health and happiness of millions goes on! Are we to infer that the "confidence" of these directors is based, not upon the righteousness of our cause, but upon a further opportunity to sell a semblance of security in an insecure world? Are we expected to welcome the continuance of a system perpetuated by the insurance companies' allies, the private banks, and then express the forlorn hope—as did the chairman of the C.M.L.—"that our fair land of Australia will not suffer the ravages by war that have occurred in other countries"? But "beeznezz eez beeznezz." This money-juggling company's income for 1939 exceeded that of the previous year by some £12,000, and is now making for the £1½ million mark!)

It has been said that the only thing not taxed is fresh air. We are to be deprived of this consolation if the suggestion of a correspondent to the *Argus* is carried into effect. This enterprising gentleman, after admitting that the motor industry and motorists in Australia "already contribute £31,000,000 a year to the Commonwealth and States," proposes that service-stations charge 1d for inflating each tyre, which would bring in approximately £150,000 extra per annum. No doubt, when the various and vicious new taxation schemes have forced the motorist back to pedestrianism, another brilliant individual will devise a method of taxing the air we breathe, unless, of course, we have learned in the meantime to use our heads more and our feet less.

I noticed in "Jonathan Swift's column in the *Sun* recently that one "Billjim II." has offered £100 to the first Victorian soldier who wins the V.C. Isn't there a "Billjim III." anywhere who would bail out the 59-years-old hero recently sentenced to six months' imprisonment at Ballarat when charged with the crime of having insufficient lawful means of support? Or better still; donate £100 to the *New Times*, which fights the cause of both poverty and war?

"SUN," May 1—
"CANBERRA, Tuesday. — Commonwealth Treasury officials are convinced that the United States will grant financial credits to the Allies in the near future."

(Well, well! Do these "officials" mean the United States or Wall Street? Do they

mean the Allies, or any country guaranteeing the payment of interest by its people?)

Continuing, the article says: "Financial experts believe that America will face economic chaos if she does not relax these "cash and carry" provisions. — American business interests have suffered, employment is falling, and the whole American economic machine, which is geared FOR EXPORT (my emphasis) is being dislocated."

(Such an occurrence should prove conclusively to the American people that their financial-industrial system—like our own—is not self-liquidating; that though their country is rich in real wealth, their personal incomes are insufficient to buy more than a proportion of their production—hence this export mania; and that the sooner financial policy is formulated at Washington in the interests of the people, instead of being framed in Wall Street, in the interests of financiers, the better for all of us.)

ANY ORTHODOX NEWS-PAPER, ANYWHERE, ANY TIME:—

"The suggested expansion of credit from the Commonwealth Bank would cause dangerous inflation—a rise in prices—etc." (Haven't we a Commonwealth Prices Commissioner? What is Professor Copland? According to Chamber's Twentieth Century Dictionary, a Copland is "a piece of ground terminating in a cop or acute angle." An acute angle comes to a point—will Professor Copland?)

"SUN," May 4:—

"Adelaide, Friday. State financial figures for the ten months showed that South Australia was £59,000 better off than a year ago. The figures for this and last year respectively are: Expenditure, £10,569,000 and £10,310,000; revenue, £10,085,000 and £9,767,000. Tonight the Premier (Mr. Playford) said: 'I believe it will be unnecessary next year for any general increase in taxation.'"

(Apart from questioning Mr. Playford's playful belief, it will be seen, from the simple process of subtraction that all that has happened is that this State has been subjected to more taxation and less spending, proportionately. Since the virtue of money lies only in the spending of it, how can it be claimed that South Australia is better off than a year ago? Your play, Mr. Playford!)

"SUN," May 2 (size of article five-sixths of the depth of a postage stamp; type almost unreadable):

"Half-yearly interest payable on four Federal loans on May 15 totals £2,800,000. Of this sum, £1,550,000 is due on the £77,000,000 4 per cent, loan maturing in November next year. —

"SUN," May 4. (Also in Lilliputian type):

"The total estimated cost to the Commonwealth Government for the flotation of the recent £18,000,000 loan is £138,000 the Treasurer (Mr. Spender) told Mr. Makin (Labour, S.A.). Items were: Underwriting, £85,000; brokerage and commission, £41,000; advertising and publicity, £10,000; other expenses, £2000." ("—And it [the Commonwealth Bank] can even make money available to Governments or to others free of any charge." —Paragraph 504, Report of Royal Commission on Banking.)

UNITED ELECTORS' REPORT

TUESDAY NIGHT LECTURES

The visiting speaker last Tuesday night was Mr. Royden Powell, secretary of the Proportional Representation Society of Victoria, who spoke against the present electoral system and explained the principles and objectives of proportional representation.

Madame Lorton Campbell also addressed the meeting, dealing briefly with the work of the League of Women Electors and the Victorian Women's Citizen's Movement, both of which bodies also support proportional representation.

On next Tuesday night, May 14, the speaker will be Mr. J. J. Simpson, and the title of his address will be, "The Crime of Charity." All are welcome, and no charge is made.

SUBURBAN CAMPAIGN

Will all supporters in and near Essendon, who are desirous of action in their locality, please get in touch with headquarters immediately?

SOCIAL NOTES

Proceeds from the last dance, held at the Palais Royale, amounted to 30/-, in spite of the very small attendance, due to the storm. A picture night, in aid of the funds, will be held at the Capitol Theatre on Wednesday, May 15. Tickets, 2/2, obtainable at U.E.A. Rooms.

Fruit growers Oppose Board

From Our Frankston Correspondent.

One of the largest, if not the largest, gathering ever seen in the Public Hall at Hastings (Vic.), met on Friday night, April 26, to discuss the very latest scandal perpetuated on a section of the Victorian community, namely, the Apple and Pear Board Acquisition Scheme. There appears to be no limit to which the Menzies Government is prepared to go in its efforts to reduce the people to a state of frenzy bordering on revolution. But there could be no two opinions about the feeling of the gathering. Mr. Fairbairn, the Federal member, has never faced such a hostile gathering in his life. He was repeatedly told "Goodbye," and not a single voice was raised in sympathy with him.

On the other hand, members Kirton and Everard were cheered to the echo for the uncompromising hostility they displayed to the Board and the whole of the proceedings leading up to the creation of the Board. Messrs. Lazarus, Wells and Pickard, of the Frankston U.E.A. group were present, whilst Cr. Miles was in the chair and made use of the occasion to voice his opinion regarding the shocking condition into which the existing Governments of Australia had not merely led the community, but actively plunged it. It is quite manifest that there is a growing tendency on the part of the people of Australia, and Victoria in particular, to take the management of their affairs into their own hands and for their own profit, and that the days of the private financial wolves are numbered.

At the close of a very long meeting a branch of an existing organisation for the protection of fruit growers in particular, and primary producers in general, was

YOU ARE BEING SWINDLED!

(Continued from page 6.)

The sole function of a banker is to create and issue credit, and to buy money and debts by creating and issuing other debts in exchange for them. . . . A banker's profit consists exclusively in the profit he can make by creating and issuing credit in excess of the specie he holds in reserve. No bank which issues credit only in exchange for money ever did, or by any possibility could, make profit."

This apparently explains why there is only 650 million pounds of money in Australia with which to pay the debts of the people (national, municipal and private), exceeding four thousand million pounds. If the Government collected all the money there is and paid it off the debts, we would still owe, and be paying interest on, 3500 million pounds of non-existent money!

A simple illustration of how community assets are obtained by the banking system:

A municipal council decides to borrow from the money industry (the private trading banks), after resolving to, say, build a Town Hall. The council has first to satisfy the bank that it possesses wealth (property and goods) or has the capacity to tax the people's wealth.

In the course of erecting the building, cheques are drawn by the council and paid to a contractor, up to, say, £5000.

The following entries would appear in the books of the bank and the council:

BANK'S LEDGER

Assets A/c.

Loan to Council "X" on the security, of Town Hall and Property and other assets. To total cheques drawn in favour of Contractor

Brown..... £5000

Liability A/c.

(Contractor Brown, Deposit A/c.)
By council cheques deposited in favour of Brown..... £5000

COUNCIL'S LEDGER

Asset A/c.

To cost of building..... £5000
(Cheques drawn in favour of Brown, Contractor.)

Liability A/c.

By Bank loan to Council £5000 (Council drew cheque in favour of Brown.) It will be understood that the bank not only has a lien over the building, but also over other wealth of the council, including the land on which the building is erected. You will readily see that the above figures were brought into existence by writing only entries in ledgers following the writing of figures on cheque forms.

The banking system created the new money (£5000), but who created the real wealth (goods and services)? The people manufactured the wealth (the Town Hall), and the bank manufactured the money, *THE MEANS OF OWNERSHIP OF THAT WEALTH.*

The entries in the bank's ledger show a debt to the bank by the council for £5000, and a debt due to the contractor by the bank.

Since virtually all money comes into existence in the form of loans made by the banks, and a bank will lend money only on condition that it gets back more than was loaned, the loan can only be repaid by borrowing more. Thus the inevitability of our ever-

formed, with Dr. Hayward, of Hastings, as president, and Mr. A. Noble, of Tyabb, as secretary.

increasing indebtedness becomes apparent,
* * *

Professor A. L. G. Mackay says, "By means of a loan, an advance, an overdraft, or by cashing of bills, the banks are able to increase the volume of deposits in the community."

Clearly, therefore, banks create money by creating deposits, and if we all had deposits we would all have money.

Paragraph 93 of the Report of the Monetary and Banking Commission explains how it is that prices for our exports to England rise and fall according to the alterations in bank policy. When the bank rate is raised by the Bank of England money becomes "tight" and prices fall; when the basic rate is lowered by the Bank of England money is easier to get and prices rise. From this it is clear that depressions are no act of God.
* * *

The significance of the trend of thought in these days is made very clear by the terms of the following resolution, adopted at the Fourteenth Annual General Meeting of the Bank Officers' Guild in London:

"That this Annual Meeting of the Bank Officers' Guild desires to direct the attention of the Directors of British Banks to the increasing body of opinion that the present system of currency and credit control is unsuited to modern requirements. It considers that unless drastic scientific re-organisation of that system is undertaken voluntarily by the banks, such a course is likely to be forced upon them by public opinion and economic pressure. It is generally accepted as a fact that modern production, with the existing abundance of natural products, if properly organised, is capable of giving to our people a high standard of comfort, and the opinion is widespread that the present system of money and credit control is an obstacle in the way of a better distribution of commodities."

THE WAR ON THE WORLD FRONT"

At the request of many people, Eric Butler's article in last week's issue of the *New Times* has been reprinted in brochure form, and is available at 1d per copy, or 9d per dozen. Postage extra.

NAME, PLEASE!

Would the reader who wrote in last week under the nom-de-plume of "Well Wisher," from Mildura, please send his name and address? This is not for publication, but only as a guarantee of good faith.

URGENT United Electors of Australia

PICTURE NIGHT AT THE CAPITOL THEATRE, NEXT WEDNESDAY, MAY 15, at 8 p.m.

Get Your Tickets NOW

From the Hon. Sec., U.E.A.,
5th Floor, McEwan House,
Little Collins Street,
C.I. Dress Circle and Stalls: 2/2

New Programme.

MR. BRUCE BROWN IN TASMANIA

Mr. Bruce H. Brown arrived in Launceston from the mainland on Saturday, March 23, and on Sunday, March 24, addressed a body of churchmen connected with Patterson-street church after the evening service. So strongly impressed with Mr. Brown's explanation of the teachings of Christ, "Ye cannot serve God and Mammon" and "Ye cannot get good fruit from a corrupt tree," as applied to the world today under financial domination, was the Rev. Gardener that he asked him to speak to eight members of the Launceston clergy on the following Tuesday—an invitation which Mr. Brown accepted, which should have far-reaching results in the near future.

In Hobart, Mr. Brown broadcast twice over 7 HO on the Electoral Campaign Session, viz., on Sunday, March 31 and Sunday, April 7. On the same Sunday the pulpit of Swan-street Methodist Church was made available to him as president of the Society for a Christian Social Order in Adelaide; and a stirring address, showing the impossibility of the Church living up to the teachings of Christ, unless it denounced the present financial system, was an inspiration to all who heard it. Here he also addressed members of the Church at a social gathering after the service.

Mr. Brown's greatest success was at the public meeting held at the Town Hall, Hobart, on Monday, April 8, and reported in the *New Times*.

His subject was "Our Greatest Enemy," and he gave a clear explanation of money in all its forms, of the banking system and of the fictitious basis of most national debt.

On Wednesday, April 10, at Hobart, Mr. Brown addressed a meeting of prominent young businessmen at the Apex Club luncheon. So delighted was the club with Mr. Brown's address, that special notes were taken for future reference, and he was asked to supply further data for future talks and discussion.

On Thursday, April 11, Mr. Brown left Hobart for Launceston, where he was scheduled to speak at a public meeting on his way home to Adelaide. Although on holidays, Mr. Brown gave every available minute of his time in the fight for real democracy. His visit to Tasmania has been of great help to reformers, and his great knowledge and lucid manner of illustrating difficult points was an object lesson to all.

Another Sinister Move In America

(Continued from page 5.)

originating from New York, still murmur pious resolutions about world unity and an International Government. Perhaps this latest move to finance the belligerent nations might make some of them think. Or has the race which produced Chaucer, Shakespeare, Bacon, Drake and Nelson become so decadent that it does not want to even think—still less act?