

The "New Times" is a really independent, non-party, non-class, non-sectarian weekly newspaper, advocating political and economic democracy, and opposing totalitarianism in all its forms.

New, when our land to ruin's brink is verging.  
In God's name, let us speak while there is time!  
Now, when the padlocks for our lips are forging,  
Silence is crime.  
—Whittier (1807-1892).

# THE NEW TIMES

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## "NEW TIMES" SUBSCRIPTION RATES

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## Mr. J. D. G. Medley & "Begrudging Parents"

### Educationist's Misleading Remarks

(A letter to the Editor from Bruce H. Brown.)

Sir, —One of the most amazing aspects of the work of our universities is to be seen in the approach of graduates to what are called "problems." Speaking generally, the graduates are conditioned to the idea that nothing is worthy of consideration unless it can be made to fit in with the existing financial arrangements.

They can obtain their degrees only on the basis of the text books prescribed by discredited men whose views and actions are in conflict with reality, and their papers are appraised by professors whose public conduct has been against the interests of the people at large, and whose ideas if accepted will inevitably lead us to further wars, perpetual suffering, and permanent regimentation.

To some extent an old man like Professor Giblin can be excused for showing reluctance to throw overboard ideas, which have formed part of his cargo, and general stock-in-trade for a generation, as to do so would be to confess that he has been wrong and thus largely responsible for the crucifixion of his compatriots. It takes some manliness for a "recognised authority" to do that, and consequently there are some "authorities" from whom we do not expect it.

But how long should Mr. Medley, Vice-Chancellor of Melbourne University, be permitted without strong challenge to shut his eyes to facts or to misrepresent them?

He has indulged in a lot of that sort of thing lately, and I for one think it high

time to ask whether he is for the people or against them, whether he wants the University students to become qualified to do some lasting good for society without being hedged around by artificial limitations, or whether he is seeking to keep them in a condition of mental confusion so that a fraudulent system can be continued? He is not yet an old man, being 54 in April next, and if his academic qualifications have any value at all they should at least enable him to understand the simple meaning of the conditions round about him. Before calling special attention to what he said a few days ago, I wish to ask whether his association with the monopoly known as the "Overseas Landed Group" had anything to do with his "selection" for

The imposition of taxes, which take away the economic inducement to maintain a maximum effort and penalise those who do so is being more and more widely recognised as a very serious brake on our war effort. Worse still, it threatens in two ways to nullify military victory over the forces of Totalitarianism: (1) It produces and aggravates industrial unrest, which plays into the hands of the "Red Fascists"; (2) It provides a pretext for power-drunk politicians and planners to introduce or extend stark coercion and other features of totalitarianism.

In the Federal Budget the "deferred maintenance" innovation provides some relief for manufacturers who have seen their plants wearing out while money they wanted to set aside for replacements deferred by war conditions was confiscated by the tax-gatherer. In this regard, deferred credits (in effect, post-war tax-refunds) have been introduced. But the "Labor" Government did not introduce postwar refunds of part of the workers' wartime tax payments. Nor did they introduce rebates of tax on overtime earnings. Strange as it may seem to many, in the Budget Debate it was the Deputy Leader of the Opposition (Mr. Harrison) who advocated those two things— which, though not drastically unorthodox, would greatly relieve a grave situation.

According to "Hansard," pages 913-914, Mr. Harrison's speech included the following:

... As it has been impossible to maintain plant for the reasons I have given, money, which would normally have been expended for such purposes, has been treated as taxable income, and such taxpayers have been taxed on inflated incomes. This reform should help such taxpayers considerably. But why does the Government stop there? Why does it limit this reform to expenditure on maintenance and repairs? Why does it not go the whole distance, and introduce deferred credits in respect of all classes of taxpayers? Such a system would overcome much of the unrest in industry.

"We have it on the authority of representatives of the coal-minors, and we know from our own experience, that men will not work overtime if, by doing so, they become liable to so high a rate of tax that they are able to net only a small proportion of their overtime earnings. The coal-miners declare that that is one reason why they will not work on more than a certain number of days each week. They have pointed out that, by working two extra days, they earn only 7/6 net; and, in the vernacular, they say, 'We are not going to work for Ben Chifley'."

"Therefore, the Government could overcome much of the present industrial unrest, if it were courageous enough to go the whole distance and give the benefits arising from deferred credits to all classes of taxpayers.

... Many employees persist in refusing to work overtime. Superficially, that atti-

tude might not appear to have serious effects, but a moment's thought will dispel that idea. With depleted staffs and the need for maintaining production, firms must strive for the maximum output. A staff, which normally did not work overtime in a factory or workshop, must now maintain production . . . and in order to do so the employees must work a certain period of overtime.

"But many workers are reluctant to comply, because their additional earnings make their incomes subject to a higher rate of tax, with the result that they receive little return for their increased efforts. The production per man-hour in industry is much less than it was before the war. In many production units a rot appears to have set in.

... It is common knowledge that workers are not producing the same quantity of goods per man-hour as they produced before the war. Although they do not go on strike, they effectively curtail production by declining to produce their maximum output. What is the reason? I believe that the Government can encourage greater production by allowing a rebate of tax on overtime earnings. That concession would also create contentment among workers. The matter is one of common sense. Whilst the Government allows a rebate for deferred maintenance on machinery, it has overlooked the claims of the human machines. Overtime is subjecting the human machines to stresses and strains that were unknown to them before the war.

"If the Government grants rebates for deferred maintenance on machinery, I see nothing illogical in allowing rebates on overtime earnings.

I am suggesting that overtime should be exempt from tax income, and the Government would be well advised carefully to examine my proposals. Commonwealth revenues would not be affected, because the concession would encourage workers to increase their output, and that would ultimately lead to higher revenues....

It presents no insurmountable difficulty, because the tax is now collected at the source."

the office of Vice-Chancellor? That particular monopoly has behind it the three so-called "Australian" banks whose headquarters are in London — viz., the Bank of Australasia, the Union Bank, and the E.S. & A. Bank.

These banks may have a keen interest in having "suitable" persons placed in charge of our educational institutions so that the students will not get to know too much about the things that really matter. Experience certainly points that way.

Be that as it may, it is interesting to know something of the history of the Vice-Chancellor at our University:

He is a "master of arts" of Oxford and Melbourne Universities; has been Vice-Chancellor of the Melbourne University since 1938 (and was something of a "surprise" selection at the time!); is a son of Professor Medley of Oxford and Glasgow; was born in Oxford, England, on April 19, 1891; was educated at Oxford and Cambridge; was associated with Gibbs, Bright and Co. Ltd. in Australia from 1920 to 1930; from 1930 to 1938 was headmaster of Tudor House School at Moss Vale, N.S.W.; he married a daughter of Sir Francis Newbolt: AND HE IS A MEMBER OF THE MELBOURNE CLUB AND THE UNION CLUB. The Melbourne Club may be regarded as the rendezvous of the Metal Monopoly in Melbourne and the Union Club as the rendezvous of the Sugar, Gas, and Tobacco Monopoly in Sydney. The Metal Monopoly has behind it the National Bank of Australasia, the Commercial Bank of Australia, and the Bank of Adelaide; the Sugar, Gas and Tobacco Monopoly has behind it the Commercial Banking Company of Sydney, the Bank of New South Wales, and the Queensland National Bank; whilst the Overseas Group— which includes, Gibbs, Bright & Co.— has behind it the other three banks already mentioned.

From this it will be evident that our Vice-Chancellor at the University was a "suitable" man from the point of view of the Money Monopoly: having nice liaison with its agents in Australia and also with the "right people" in London.

That may or may not account for his significant silence about the fraudulent nature of the financial system under which we and all our institutions are more or less prostrate.

With that background in mind we are better able to appreciate his gratuitous and unwarranted criticism of struggling parents. According to the Melbourne "Argus" of 13/12/44, this is what he said:

"Far too many parents are far too anxious to have their children out and earning at the expense of their education. Parents occupy a key position in connection with education reform. We are apt to forget that. Education reform, like everything else, in democracy, depends on the people wanting it. But at present not enough people want it. They begrudge the money spent on education, and are only half-hearted in their efforts for reform."

I would like to issue a public challenge to this friend of the Money Monopoly to

substantiate his assertion that parents are "anxious" to send their children into offices and factories instead of having them "educated." In the case of my own parents it was an economic NECESSITY, which forced them to send me to a solicitor's office before I was eleven. That necessity caused them sadness of heart, and came about because they could not "afford" to leave me at school. The simple truth was that they were short of MONEY. Today the position is the same. The great majority of parents are obliged to send their children to "earn money," as that is the only way in which it can be obtained and they themselves are chronically short of it. Obviously, if parents were not short of money there would be no need whatever to withdraw the youngsters from school before their education was completed. Youngsters are not withdrawn by parents who are NOT short of money.

Surely those simple facts are not beyond the understanding of this "highly qualified" man who has so much to say on the subject of education and so little to say on the subject, which prevents our community from having the benefits of education?

The last part of the statement quoted from the "Argus" reveals the hopeless mentality of the man. His explanation for the poor results coming from the institution of which he is the chief executive is that the people "begrudge the money spent on education." This is the clearest admission that the hindrance to proper education is lack of finance, but the most absurd assertion that the lack is due to "unwillingness" on the part of the people to supply it. Like an ex-Director of Education in another State, the poor fellow apparently suffers from the delusion that money is produced by individual citizens, whereas the truth is that all they can do is to COLLECT a very small quantity of it.

It is untrue to say that the people begrudge the spending of money on education.

The people desire to spend a great deal more money on it, but as they have had so much of their small supply confiscated by the Government, on the "advice" of incompetent professors, the time has come for the Government to adopt some different method of OBTAINING money. Social Credit principles as formulated and enunciated by C. H. Douglas provide the solution and when men in positions of influence like that occupied by Mr. J. D. G. Medley complete their own education on this very vital subject, and then do what all honourable men ought to do, there will no longer be any need for parents to send their children out to earn, and our educational progress will not depend upon the few coppers left in the pockets of the indigent. Until Mr. Medley does bring himself down to realities in this regard he can only be looked upon by the rest of us as an unworthy public servant.

—Yours faithfully, BRUCE H. BROWN.

189 Hotham Street, East Melbourne, C.2.  
December 17, 1944.

## NOTES on the NEWS

A correspondent in the Melbourne "Sun" of December 12 asks: "Are we going to stand by and see immigrant children swarming into our country, when so many of our own dinkum little Aussies are inadequately cared for?" That's a very pertinent question, which "refugee"-seekers in particular will find hard to answer. There's no sense in seeking immigrants until such time as our own kith and kin are properly cared for. At the present time we don't even ensure decent homes for our present population, we haven't sufficient teachers or school facilities, we are years behind in medical services, and even our food supplies are inadequate and likely to be worse. These are the simple facts of the situation, which show the absurdity of emigration mania.

**BANKER'S BOUNTY:** The managing director of W. H. Corless & Co. Pty. Ltd. (Melbourne), who is featured in the "Sun" of December 12 as defending the Banks, has this to say: "Our books will show that our bank has allowed me an overdraft time and time again without security." Here, this innocent chappie is confirming the accusation that bankers do often make available, to chosen customers, financial credit (monetary claims to goods and services) without "security." It is also pointed out by monetary reformers that bankers don't lend depositors' money, since no depositor's account is debited; i.e., overdrafts function as new money, and are cancelled out when the loans are repaid. It is this power to manipulate what is basically the people's financial credit that constitutes the bone of contention, especially when such credit is loaned to Governments and charged up against the people as an interest-bearing debt, which in turn is the major cause of crippling taxation.

**POWER POLITICS:** In Greece, Italy, Belgium, France, Finland, Roumania and Bulgaria internal strife has followed the libe-

ration. The purge of former "collaborators" is the major cause of friction. The Melbourne "Sun" of December 6 gives an indication of the forces behind the strife when it says: "The violent propaganda of the Communists has reduced the purge issue to absurdity. Opponents of the Communists are too freely labelled Fascists or fifth-columnists." It is the old Communist strategy of using every situation to further

(Continued on page 3)

## Food for Thought

There are more Jews, more "German" Jews, and considerably more important "German" Jews, in New York than in the whole of Germany. Half a dozen flying bombs on New York would create the greatest panic in history. Without taking risks any greater than have constantly been taken by the Germans, they could have bombed or shelled New York. Not a bomb, not a shell has been dropped from a German source on New York. How the Hitler Socialists do hate the Jews, don't they? — "The Social Creditor," England.

## SPECIAL NOTICE TO NEWSAGENTS & READERS

The "New Times" will NOT be published on December 29 and January 5.

The next issue of the "New Times" will be published on Friday, January 12, 1945.

In the November 25 issue of the "Federal Accountant," official journal of the Federal Institute of Accountants (Australia), appeared an article by Mr. John Bradshaw, A.F.I.A., of Melbourne, who often contributes to our columns. Replying to a previous article by Sir Hal Colebatch, Mr. Bradshaw wrote as follows:—

"The views expressed by Sir Hal Colebatch, M.L.C., as set forth in the report of his lunch-time address to the West Australian branch, contained in the October issue, appear in some respects to be lacking in logic.

"After raising a debatable point by his assertions as to 'the factors which wrecked the peace of 1919,' in that he sees such factors as causes, whereas, I submit, they were effects, Sir Hal made some astonishing statements relative to 'the rule of a democratic society,' 'national sovereignty,' 'joint sovereignty,' 'control,' 'unlimited power.' These, I believe, warrant consideration quite irrespective of the merits or dangers of the proposed International Monetary Fund and World Bank, to participation in which he obviously thinks the Commonwealth should be committed.

"It is a basically sound principle of organisation that no individual or group of individuals—e.g., boards or committees, should be invested with any power unless it be accompanied by corresponding responsibility. A large body of irrefutable evidence exists proving that the evil and undesired conditions, which have been thrust upon the peoples of the world, are directly attributable to the separation of power from responsibility, to the progressive concentration of power, political and economic, in oligarchies not responsible to the sovereign people. People who advocate the acceptance of 'control by an international organisation' would do well to have regard to the foregoing facts, in the light of which the cure of our ills surely appears to lie in a reversal of the past and present trend, in the bringing of the foci of government closer to the individual so that he becomes effective in them.

"In these days, when so much is heard of grandiose schemes for 'a planned society,' when restrictions on the freedom of the individual which in no wise enlarge his independence are constantly being added to, we should all analyse closely our conceptions of organised society; we should ask ourselves, if we believe that nations are anything other than associations for the good of the individuals of whom they are made up, what we conceive to be the justification for their existence. There can be no doubt that association is at once the direct cause of our progress and of our threatened destruction: the general principles which govern association for the common good are as capable of exact statement as the principles of bridge building, and departure from them—as we now know to our bitter cost—is just as disastrous.

"When considering the adoption of proposals which undeniably involve the surrender of national sovereignty to some international authority, it should be remembered that once it be conceded that sovereignty resides anywhere but in the collection of individuals we call the public, we are treading the path of dictatorship. This is so whether the subject at issue be the creation and control of money or any other matter affecting public policy, and whether the dictatorship be benevolent or otherwise. That is not an assertion that individual citizens, as such—i.e., 'the public,' must have a voice in the ADMINISTRATION of public affairs—administration is the proper sphere of the technical expert, and within that sphere he should be supreme; the assertion is that the collection of individuals we call the public have an indisputable right to sovereignty over POLICY. The expert must be on tap, not on top."

"As an argument against endowing a Government with power to create money, Sir Hal Colebatch quotes the unimpeachable dictum of Lord Acton—viz., 'Power corrupts, and absolute power corrupts absolutely.' Sir Hal avers that 'to endow a

government with power to create money is to give it absolute power,' until what he terms 'the crash' comes. He, however, overlooks the fact that in a genuine democracy, power is not divorced from responsibility; the Government is responsible directly to the sovereign people who can either dismiss a Government which misuses its power, or can exert electoral pressure on the Government through individual members of Parliament. To me, it appears illogical to oppose the endowment of a Government with power—power for the exercise of which it is directly responsible to the people—over monetary policy, including power to create or cancel money, but to advocate the endowment of 'an international organisation' not in any way responsible to the people of any country, with absolute power in respect thereof. From a reading of the proposals for an International Monetary Fund and a World Bank as set forth in the document issued with the approval of the Government, it can be seen that ratification of those proposals by the Australian Parliament will automatically bring about absentee control of our domestic policies, our price levels, our money supply, our standard of living, our production, our future development. Not only so, but the proposed agreement provides that the 'Fund' and those connected with it shall be exempt from search, seizure, legislative action, taxation, immigration laws, national service, censorship. Truly, if ratified, the foregoing will enthrone a new despotism.

"In view of his objection to a Government being endowed with power to create money, it would be interesting to know Sir Hal's opinion as to what is the proper authority to control the creation and cancellation of money. No doubt he is aware that the counterfeiting laws prohibit individuals from creating it. The combined efforts of the individuals making up the community result in the production of wealth, but no individual produces money. If then, the Government should not have power to create money, we may well ask who should have it, and who, in fact, does? "As against the view of Sir Hal Colebatch, one can quote, among others, President Thomas Jefferson, author of the Declaration of Independence, President Abraham Lincoln, and in more recent days, Marriner S. Eccles, a chairman of the United States Federal Reserve Board. Sir Basil Blackett, and the late Vincent C. Vickers, both directors of the Bank of England, has expressed the conviction that the dictatorship of financiers over Governments is both dangerous and harmful, and that it must end. Jefferson wrote, 'the issuing power should be taken from the banks and restored to the Government to whom it properly belongs.' Lincoln declared, 'money is the creature of law, and the creation of the original issue of money should be maintained as an exclusive monopoly of the National Government.' Vincent C. Vickers wrote: 'Democracy is in danger, for the very reason that democratic government itself is subservient to the sectional interests which control finance, and which have it in their power to inflict a financial crisis upon the nation should they anticipate legislation inimical to their particular interests'; also, 'our democratic system and our existing financial system can no longer live together; one of them must give way to the other.'

"Robert H. Hemphill, former credit manager of the Federal Reserve Bank of Atlanta, has written: ' . . . it (the banking system) is the most important subject intelligent persons can investigate and reflect upon. It is so important that our present civilisation may collapse unless it is widely understood and the defects remedied very soon.'

## THE TENNESSEE VALLEY AUTHORITY AND SIMILAR PLANS

By Geoffrey Dobbs, in the "Social Crediter" (England). (Continued from last issue.)

The destruction of English agriculture by the Debt System during the late eighteenth and early nineteenth centuries is indeed amply portrayed by William Cobbett, who despite his astonishing foresight, can scarcely have foreseen the lengths to which the process would be carried in the late nineteenth and early twentieth centuries, not only in England, but throughout the world, reaching its culmination in the dust bowls of North America and the giant tractor-farms of the U.S.S.R.

Much as our land has suffered, and is suffering, under the attacks of city creditors, monopolies and Government Departments, we are not so far down the slope of infertility as these countries. The "future," so widely advertised as being the exclusive property of the "new" countries, whose seething populations are rapidly transforming them into deserts, actually lies with those people who have learnt, and retained, the arts of intensive, and conservative, agriculture, and have succeeded in incorporating in them, without damage to their primary purpose of maintaining soil fertility, those modern discoveries in engineering and biology which have been found to be useful.

Far from corresponding to the prevailing picture of a worn-out old country, supported by her young, vigorous offspring, the Dominions, and unable to keep pace with her two huge and virile neighbours, the U.S.A. and U.S.S.R., Great Britain compares favourably with the others in the retention of

a fair proportion of her pristine strength in the soil.

In the whole world there is not another piece of land to compare in climate, soil, and intrinsic fertility with North-western Europe, the cradle, and the home, of modern rotational agriculture. In the huge but semi-arid "new" countries there are still, especially in the U.S.S.R., large reserves of soil fertility to be tapped; but after that nothing but the thriftiest conservation agriculture can keep back the desert.

In addition, it would seem that both these vast countries are ripe for an imperialistic phase, and the clash between them which is confidently expected by our socialists, as well as by Wall Street, is not only likely to weaken them further, but will prevent the adoption of the small-scale, intensive, individual farming methods which alone can build up the land.

It is not denied, of course, that "Planning" methods, vast engineering works, dictated conservation farming methods, etc., a sort of imperialism of the land, may delay the process of erosion for a long period,

provided there is no change of policy in the controllers—but at best it is a defensive fight, all the measures are negative, only the individual who is secure in his tenure of the land can find the interest and the will and the energy to keep up, let alone build up, its fertility.

You cannot ENFORCE good farming by laws, restrictions and penalties. Such an idea can arise only from a childish misconception of the complexity of the links between men, animals, plants, microorganisms, and the soil. It is idiotic to suppose that you can bring about balanced biological relationships by law; yet it is this idiotic idea, which is being "put over" by our planners and scientists.

Our soil, in the British Isles, is now in very great danger. Its fertility, maintained, and even built up, over centuries, and buffered in recent years to some extent by the large imports of food from abroad, must by now have suffered serious inroads. The demands on it during two Great Wars have been great, and will be likely to remain permanently greater than before this War, as the eroded countries may soon not have the surpluses to export. Several decades of chemical "manuring" have now begun to produce their effects in impoverished soil, diseased crops and stock, and poor quality products, a fact which seems to be denied only by those associated with the Chemical Industry and the Laws Agricultural Trust, which latter first made its reputation by demonstrating the increase in yields to be obtained with artificials. Meanwhile the Ministry of Agriculture has, during the war, forced the application of heavy dressings of artificials throughout the country.

At the same time, though it is still not considered "respectable" for a scientist or agricultural specialist to criticise chemical farming, and any who venture to do so immediately "lose caste" as cranks (the muck-and-magic school!), there are signs that the Planners—as evidenced, for instance, by the space devoted to the subject in the "New Statesman"—have their eye on the possibility that the criticisms may be true after all.

When the disastrous effects of the present policy have become too blatant to be denied any longer, it will be quite according to plan for them to raise a loud shout for even greater centralised control to "save" the soil. It is also not surprising that when so many people have been influenced by H. G. Wells, Wellsian fantasies have a way of coming true, and the chance of restricting "Grade A" (properly grown) food to selected classes, leaving the usual denatured rubbish to the rest of us, is too good to be missed by them. It is said to have been noticed already in some places that the chief clamourers for compulsory pasteurisation of milk are also the first to get on the special list for natural milk!

If we allow our soil to be destroyed we shall, with our dense population, inevitably become a vassal nation; but, on the other hand, if there is any hope, anywhere, for the soil, and for the people who live on it, it is in North-western Europe, the cradle of good farming, and of that development towards democracy which may some day reach its goal. In these Islands we have recently suffered some heavy defeats in the long-term war for the freedom and security of the individual. We have had our Dunkirk; the assault on the central bastion, the land itself, the real Battle of Britain, has now begun.

(Concluded.)

### A MERE FLYTRAP

It is important to an understanding of the general situation to grasp the fact that the ideology of Communism is a mere fly-trap. Communism is a political party whose objective is power, and much like the C.C.F. in Saskatchewan, is all things to all men.

Once the various movements—Stalinism, Communism, National Socialism, P.E.P.-Mond-Turnerism, "Commonwealth", C.C.F.-ism—have achieved what they mean to achieve—absolute world power—you can think and believe what you like. It won't make any difference to what will happen to you.

—"The Social Crediter."

### THE SAME PEACE-TABLE ROLE AGAIN?

The American press appears to be going out of its way to turn feeling—e.g., in Australia, against the Americans. We have fairly strong views ourselves on the most-favoured nation situation, but we should have thought that the obvious course for the beneficiaries of the war would have been to play the situation down while raking in the chips. The only conclusion that seems to fit the facts is that the press is largely "German" controlled, and is preparing to establish the U.S.A. at the peace-table as the protector of downtrodden Germany.

—"The Social Crediter."

**BUREAUCRATIC BLACKMAIL:** A writ challenging the legal right of the Treasury bureaucrats to compel a person to buy Government bonds before purchasing property was recently issued by Mrs. M. F. Shrimpton, of East Malvern, Victoria. In this case the purchase of £350 of bonds was demanded before she was allowed to purchase property at £575. There have been many famous outlaws in Australian history, but until recent years none of them had the sanctions of law behind them, they all overplayed their hand and paid the penalty—the forces of law always won the day. In this case it remains to be seen whether or not bureaucratic law will override constitutional law.

### THE NATURE OF THE PROBLEM

The following letter appeared in the "Scotsman" of October 4:—

Fearnan, by Aberfeldy, Sept. 30, 1944.

The Editor, "The Scotsman": Sir,—I appreciate the moderation of the letter of your correspondent, "Aqua Vitae," but he is evidently unable to get away from the obsession that our problem is a material, rather than, as is the case, a political one.

If the U.S.A. was a self-supporting community in 1929 (as largely, she was) she was a self-supporting community in 1933. Neither the people, the country, nor the plant underwent any material change. But in 1929, the people of the U.S.A. touched the heights of the greatest material prosperity any people ever reached. In 1933, at least a third of the country was on relief, famine and misery were widespread and the country was on the verge of revolution.

The only discernible difference between the conditions during the depression in Great Britain, the allegedly non-self-supporting country, and those obtaining in the U.S.A., the self-supporting community, was that they were far worse in the latter.

There is really no mystery, and not much informed difference of opinion, as to the cause of our continued frustration. It is that we allowed finance to become a business in itself. (I should like to observe that this situation, far from being cured by the "nationalisation" of banking, would be accentuated.) The outcome of this is that the system will only work at all as an expansionist ("more exports") system, and that the expansion has to be an acceleration in geometrical progression hence the "prosperity" in war-time. This has nothing whatever to do with Capitalism, as generally understood, and no administrative change would alter it except for the worse.

If "Aqua Vitae" wishes to get to the root of our political difficulty, he should insist on being informed as to the undisclosed terms, as effecting the control of the Bank of England, which were negotiated by Lord Reading in Washington, as a condition of the entry of the United States into the war in 1917.

—I am, etc. C. H. DOUGLAS.

### THE BATTLE OF FRANCE

General Eisenhower's Triumphal Presidential Election March down the Boulevard des Champs Elysees doesn't seem to have made a great hit in Europe; but we have no doubt that the American public will take it seriously. Probably not a small fraction of one per cent of the electorate realise the significance of landing the American troops at Isigny protected from every wind west of N. by E., and impossible of heavy garrisoning by the German Command under threat of landing further east, while the British and Canadians were landed on the open beaches to protect them. The Battle of France was the Battle of Caen; and we have not much doubt that the Americans will hear about it from the Canadians later on.

—"The Social Crediter," England.

### LEISURE

What is this life if, full of care,  
We have no time to stand and stare?

No time to stand beneath the boughs  
And stare as long as sheep or cows.

No time to see, when woods we pass,  
Where squirrels hide their nuts in grass.

No time to see, in broad daylight,  
Streams full of stars, like skies at night.

No time to turn at Beauty's glance,  
And watch her feet, how they can dance.

No time to wait till her mouth can  
Enrich that smile her eyes began.

A poor life this if, full of care,  
We have no time to stand and stare.

—W. H. Davies.

### THE BIG IDEA

From the "Social Crediter," England, October 14:—

Every indication points to the Ministry of Fuel and Power as being a focal point of the P.E.P.—Mond-Turner plot. The snatching of the coal, the centralisation of petrol, paraffin, gas and electricity in a Ministry headed by the son of a Solicitor to the Zionist Movement is hardly likely to be adventitious. The whole economic and domestic life of the country is at the mercy of this organisation, which came into existence unobtrusively, yet with a fully prepared staff. It is very dangerous indeed.

**STATE SOCIALISM:** The daily press recently reported a move to form an Australia-wide organisation to combat the increasing tendency of the Federal and State Governments towards Socialism. This trend is regarded as a threat to the liberty of the individual and to the priceless quality of personal initiative. The reports pointed out that the prevailing craze seemed to be for Planners, Economists and Socialists to propound schemes, which might sound very nice, but were of very little use from a practical viewpoint. It was pointed out that Planners, significantly enough, were prolific in ideas to increase the scope of their own jobs, but never, unless by accident, did they plan themselves out of those jobs. Well, happily, the evils of Socialism are being realised; it is merely a question of whether or not there is time left to save us from the fate that befell the people of Germany, etc.

# TREASURY BRANCHES IN ALBERTA

(Continued from last week.)

In response to many requests for information on the Treasury Branches system in Alberta, we are reprinting part of a report issued by the Social Credit Board, Legislative Buildings, Edmonton, Alberta, dealing with the Treasury Branches, "their purpose and their place in the Provincial economy": —

## SOME CRITICISMS ANSWERED.

The criticisms of the Treasury Branches system almost invariably arise from a misconception regarding the relationship of the people and the government under a democracy. The carefully fostered and widely held view that the government is something apart from the people as a whole, has had, particularly in the matters of finance, to considering government institutions much in the same light as any private business.

For example, the public accounts are presented without reference to the finances of the Province as a whole, with the result that they provide a false picture entirely unconnected with the financial position of the Provincial economy.

Actually, in a democracy a government exists as a mere convenience to enable the people to give effect to their collective will and, as such, its affairs are inseparably bound up with those of the people as a whole. This should be reflected in the financial statements of governments. The public accounts should be an accurate accounting of the affairs of the people as a whole and not merely a statement of revenue and expenditure of government departments.

To illustrate the force of this, it is necessary only to consider a single example of the present false accounting methods by all governments alike.

Suppose that the government used a portion of their revenue from taxation to construct a highway from a thickly settled area to an undeveloped area rich in natural resources—say at a cost of 1,000,000 dollars. As a result of this undertaking considerable development takes place within the ensuing five years, enhancing the well being of the people as a whole.

Under the present method of presenting the public accounts, the real facts would not be apparent. The investment of 1,000,000 dollars would be shown as an EXPENDITURE. The additional ASSETS of the highway and of the enhanced value of the natural resources resulting from the construction of the highway would NOT appear.

However, if, instead of constructing the highway, the money had been diverted to the payment of debt obligations to creditors outside the Province, this would be shown in the public accounts—and, according to orthodox standards, the financial position of the Province would be considered to have improved correspondingly notwithstanding the fact that the people of the Province would have been impoverished by the loss entailed in the highway not being constructed and, into the bargain, would have lost 1,000,000 dollars' purchasing power as claims on their production!

The falsity of such an accounting system does not need to be stressed. Likewise, its origin and the purpose for which it was designed should be apparent.

The chief criticism levelled against the Treasury Branches system is in regard to "the cost" of their operation. In this connection the manner in which this "cost" is generally calculated requires careful analysis, for similarly false accounting methods are applied in arriving at this.

In arriving at the costs for purposes of criticism, to the total expenditures on salaries, commissions to agents and other legitimate items in the cost of operating the Treasury Branches system is added the amount distributed in bonuses to consumers to encourage the purchase of Alberta products. This is an entirely erroneous view:

(a) During the first two years during which the Interim Programme was in operation provision for the payment of consumers' bonuses was made out of government revenue. Thus these payments represented a refund of taxation, to obtain which every taxpayer was entitled to qualify.

(b) During the following two years, after the introduction of the system of trade claims (as claims on goods and services and not on money), consumers' bonuses were credited to them in trade claims and no provision was made for their payment out of general revenue. Therefore, in arriving at the cost of maintaining the Treasury Branches service, the amount of consumers' bonuses must be deducted from the money provided out of general revenue.

Computed on this realistic basis it will be found that the net cost of administration of the Treasury Branches had been stabilised at about 230,000 dollars a year for the fiscal years 1939-40 and 1940-41, while it dropped sharply to about 105,000 dollars a year for the past two years, notwithstanding the steady expansion of business and the corresponding increase of staff.

However, the administrative cost of the Treasury Branches does not represent their "cost" to the people of the Province. In arriving at the latter, account must be taken of the corresponding benefits, which they have received—not merely the additional service, but the actual material benefits.

To the extent that people were induced to demand Alberta-made goods when making their purchases from retail stores, the production of such goods was increased, leading to an increase in employment, total wage-rolls and purchasing power. As purchasing-power builds up, so the trend is accelerated and re-acts to the advantage

of all sections of the business life of the Province.

Unfortunately, it is not possible to assess with any degree of accuracy the material advantages, which have accrued to the Province from the operation of the Interim Programme, because of the lack of reliable statistical data and the impact of war conditions on the Provincial economy during the last two years. However, we know from the decrease in unemployment, the general stimulus to the business of the Province, the experience of certain manufacturing firms, and the buoyancy of revenue from taxation, that, during the period PRECEDING the effect of war conditions on the economy, the advantages were considerable—certainly MANY TIMES the administration cost of maintaining the Treasury Branches service.

Thus, on an examination of the real facts, it should be plain that, far from the Treasury Branches being a liability to the people of the Province, they have proved a substantial asset, and that the expenditures on their maintenance have been a fruitful investment. This should be apparent to anyone with even an elementary knowledge of economics.

Another criticism advanced against the Treasury Branches system is that they duplicate the services of the chartered banks and are therefore a useless and unnecessary expense. Actually, because of the legal [Federal] limitations involved, the Treasury Branches cannot operate on the same lines as the banks and consequently are handicapped correspondingly in the service which they can render. However, to the extent that they can provide the

people with an alternative service with comparable efficiency and convenience, they are intended to do so. That was the purpose for which they were established, as has already been shown.

But it is not correct to state that they duplicate the service rendered by the banks, as the foregoing review of their operation and its effects on the economy indicates.

Closely related to the above criticism is the suggestion that whereas the banks can operate at "a profit" the Treasury Branches operate at "a loss." It has been shown already that actually the Treasury Branches operate at a very substantial profit to the people of the Province to whom they belong, and the contrary impression is created only because of the manner in which the public accounts are presented.

However, reckoned from the same realistic viewpoint, the banks cannot be considered exactly profitable to the people.

In the first place, the banks have consistently restricted the people from having access to their resources—their real credit. Secondly, as a result of the system the banks operate, the people have incurred tremendous losses, through debt and un-economic prices. Finally, every dollar of profit over and above their operation costs made by the banks in Alberta represents a loss of purchasing power to the people.

Therefore, far from the banks being anything in the nature of an asset, they are an enormous liability.

The scope of this review is not intended to be comprehensive. It is limited to showing the purpose for which the Treasury Branches system was established and the place it occupies in the Provincial economy. It will be appreciated that any consideration of the strategy for gaining the reforms necessary to establish a properly functioning democracy in both the governmental (or political) and economic spheres necessarily extends far beyond those matters which have been covered in the foregoing pages.

(Concluded.)

## POST-WAR RECONSTRUCTION POLICIES

(Continued from last issue.)

Hereunder we publish an eleventh instalment from the Report of the Post-War Policy Committee of the Vancouver Board of Trade. This is the second constructive section, dealing with political reconstruction: —

### (2.) POLITICAL DEMOCRACY.

#### BASIC PRINCIPLES:

(a.) The political system should function to enable the people to assert their sovereign authority on questions of policy coming within the sphere of government. To this end:

i. —The people must be organised to express their collective will in definite and coherent terms.

ii. —The people must be able to enforce obedience to their wishes.

iii. —The people must have continuous and effective control all the time over their representatives and institutions.

(b.) As the supreme authority, the people must be prepared to assume supreme responsibility and undertake the duties, which are entailed.

(c.) As the sovereign body, the people should be concerned only with RESULTS. Administrative matters, involving METHODS, being an individual function involving personal responsibility, should be left to those with the necessary qualifications, and who are prepared to assume the responsibility involved. Such persons should have the corresponding authority delegated to them by the people, who should be able to withdraw it at will if they do not obtain satisfaction.

#### SOME PRACTICAL CONSIDERATIONS:

In the task of establishing a properly functioning democratic order, it is axiomatic that the necessary action must come from the people. Canada is a constitutional sovereign democracy, and the people are the constitutionally supreme authority. The only two ways in which a reconstructed social order can be established are either for the people to surrender their constitutional sovereignty to a dictatorship and accept the changes imposed upon them, or to assert their sovereign authority to obtain the results they want. The latter course is the only manner in which a properly functioning and reconstructed democratic social system can be established.

While the security and freedom that people want can be realised only in the economic sphere, and the practical recommendations submitted in the preceding section provide a basis for their achievement, it is in the political sphere that the necessary action must be taken for their realisation.

We have to take the situation as it exists in considering such action.

Except for the mechanism for rendering the people's sovereignty effective—namely, the electoral system—all the political institutions necessary to serve democracy are in existence; namely, Parliament, Legislatures, local government bodies, the judiciary, police, etc.—provided that the people have effective control over them.

Any mechanism for rendering the sovereignty of the people effective must:

i. —Cut across the party system and unite the people.

ii. —Enable the people to organise themselves to control their representatives and institutions all the time, and not merely for one day every four or five years.

iii. —Be such that it will not only achieve the limited purpose of bringing about the necessary post-war reconstruction, but will provide a permanent foundation for an effective system of political democracy.

## Notes On The News

(Continued from page 1)

their end of implementing a socialistic dictatorship. Their regime is as venomous as other dictatorships, or worse, and apparently the liberators are beginning to realise this fact.

**RABBIT RIDDLE:** Some idea of the peculiar humour of our political servants is found in the following from the Melbourne "Age" of December 12: "Great amusement was caused in the House of Representatives when Mr. White (Vic.) quoted the following extracts from a correspondent: 'My property is overrun with rabbits. . . I cannot get cartridges. . . there is no manpower. . . and the only tinned meat I can buy happens to be New Zealand rabbits.'" One would hardly expect grown-up men to be amused when such evidence of their bungling was placed before them. No wonder the prestige of politicians is at a low ebb. It also indicates that four-footed rabbits are not Australia's greatest menace.

**FRENCH FINANCE:** An unlimited Government Loan, designed to remove individual financial independence, under the euphonious catch cry of "control inflation," has been announced by the French provisional Government. The Loan is not compulsory; but, as here, that is in the offing, witness the reported threat that "future measures will depend on the results of this Loan." The French people are reputed to be very suspicious of Banks and their cheque system, because it reveals too much to the tax-gatherers. Nevertheless, they are now getting the same kind of financial folklore as we are. Banking policy is indeed international, as indicated by the similarity of the bankers' propaganda in all countries. It is also obvious that the French people are not YET FREE.

**BIRTH-RATE BOLONEY:** According to the Melbourne "Herald" of November 11, statistics over a long period show that the birth rate declined as living and security standards increased. What a delightful analysis! And, of course, how easy it will be to prevent the decline—now that we know the cause. All that need be done is to increase taxation until the required low level of security is reached, then—hey presto!—our population problem is over? Conversely, in the case of over-populated countries we can export our goods and amenities to them and increase their security until their birth-rate declines to where we require it. This formula would even remove the Yellow Peril—and all other Perils—without recourse to war, and, of course, it would justify the "export or perish" slogan. It's a beautiful theory, and you can rest assured that it came from a duly "certified" economist.

**DUMBARTON DECISION:** Commenting on the world-government plot, a Washington report expresses concern as to who will order the American forces into battle, and says: "It is on this point that the fate of the Dumbarton Oaks plan is likely to be decided, for Congress is intensely jealous of its constitutional right to control the employment of the armed forces, and public sentiment would be reluctant to place even token forces under the jurisdiction of the international security Council." That solid argument should be good for all countries—and Australia in particular. It is an argument that should be used to the full. It is bad enough when even allegedly democratic national Governments, including our own, have the power to declare war without consulting the people. Wars do not happen overnight—there's plenty of time for decisions on such matters.

**CAUCUS CUNNING:** The New South Wales A.L.P. Caucus are endeavouring to gain admittance to the Federal Caucus as observers for the State A.L.P. Executive. Members of the Government are resisting this move on the ground that it would support the contention that the Federal Labour Party is governed by outside bodies. Other Members oppose it because such Party observers would be official informers. The latter objection, coming from the Labor Party, is rather strange: because the same Members encourage pimps and informers, especially in the taxation and price-fixing departments. (There is, of course, the distinction that such informers are merely spying on private citizens, not politicians!)

**COPLAND'S CREED:** A Washington report featured "certified" economist Copland telling a press conference that "price control will be necessary in Australia after the war," and that "the Referendum result was unfortunate" (for whom not stated); however, he said, "there would be another day"—which verifies the suspicion that further attempts will be made to fool or coerce the people into handing over control of their affairs to theoretical Planners. Questions were asked in the House as to what authority this civil (?) servant had to make such statements. That shows that watchful eyes are on these presumptuous professors. Attention should always be directed to such statements in order to have them criticised in the House.

—O.B.H.

### VILEST CALUMNY

"To suggest, as has been done recently by persons in the United States who are grossly ignorant on the subject, that such an [Indian] army is a purely mercenary one, is a calumny of the vilest sort."

—Major Sarabit Singh Kalha, I.A., at the East Indian Association, October 3.

# AN AMERICAN REPORT ON PALESTINE

By Frederick C. Painton, in the "Reader's Digest." (Concluded from last issue.)

[The bitter, long-standing and complicated quarrel between the Jews and the Arabs in Palestine is flaring up again on the front pages of the world's newspapers. The "Reader's Digest" assigned Frederick C. Painton, its correspondent in the Near Eastern theatre, to try to get the facts about the situation, which is so thoroughly obscured by passion and by politics. He revisited Palestine, interviewed leaders of both factions, sought out impartial observers, inspected the cities, the factories, the groves and the farms. This is his report. "It is as honest and objective as it is in my power to write," he said. It was intended solely as a memorandum to the editors, that they might intelligently appraise current articles on the subject. It seems to us, however, so informative and so important as to warrant publication. —Editors, "Reader's Digest."]

To the cry that more Jews should be admitted, the Arabs reply that the country cannot support the 4,000,000 immigrants the Jews ask for. According to authoritative figures Palestine has only 2,200,000 acres of productive and potentially productive farmland. You cannot get enough to eat in Palestine today; I was hungry all the time I was there, although I had money to buy what I required.

The population is now 144.5 persons per square mile as against 11.2 in Oregon, for example, and if you were to increase it to 5,500,000 by adding 4,000,000 more Jews, you would have a population density greater than that of Belgium, one of the most industrialised nations in the world.

When this fact is pointed out to the Jews—as well as the homeland's failure to be self-supporting—they admit the facts and say that the way out now is not to go on the land but to industrialise. They point to the growth of such exports as diamonds and pharmaceutical products, to the Shemen Oil concern of Haifa and to the big potash works. However, Palestine would then be a small, highly industrialised Jewish State situated in the centre of a hostile Arab world boycotting Jewish goods. (Henrietta Szold, founder of Hadassah and grand old lady of Palestine, has said many times that the fatal mistake of the Jews from the very beginning of the Zionist movement was their failure to understand and to make friends with the Arabs.)

Recently I went through the Palestine industrial products exhibit in Tel Aviv. It was impressive in the number of its products, but many steel, iron and other manufactures enjoy a sale only because of war-restricted commerce. In peacetime they could not compete against American or English products.

Furthermore, and this is important, the Jewish Agency people fear that the skilled refugees who make many of these products will return to their native lands when the war is over. The Czech Jews were being absorbed in their nation until the war; they knew no persecutions, no bars. They look upon themselves (they told me) as Czechs, not as Jews, and are anxious to go home. The Dutch diamond cutter intends to go home to Holland.

Strangely enough, scores of German Jews want to go back to Germany.

This failure to sink roots deeply applies equally to Americans; of the 5500 American Jews in Palestine fewer than 100 have given up their American passports. The Jews in Palestine know this and fear it; it is one reason why the extremists are making their gesture now. Many leading Jews told me they feared they would lose their main argument at war's end by having no immigrants.

The recent acts of violence in Palestine committed by Jewish extremists are deplored by the Jewish leaders. While I was in Jerusalem I heard nine bomb explosions not far from my hotel, the immigration offices of the Palestine Mandate at Haifa and Tel Aviv were blown up, and two Palestine policemen were murdered.

There are three extremist groups, all illegal military organisations. They have Fascist manners and Fascist uniforms, and are storm troopers.

There are also gangs of real outlaws. The contention is that the Arabs by raising hell in 1936 cowed the British Government into producing the White Paper, so these Jews now hope the same tactics will cow the British into reinstating immigration.

The Arabs cite the following facts: They own most of the land, including 95 per cent, of the olive groves. They own 215,000 cattle against the Jews' 28,000; 225,000 sheep against the Jews' 20,000; and all the pigs and camels. These figures show the Arab's stake in the land and disprove the charge that the Arab is a nomad.

As the Trans-Jordan people said bitterly, "moving the Arabs out of Palestine to let in the Jews is comparable to asking the people in Kansas to pick up and get out so that newcomers could settle on the land."

The Arab has been on the land here for hundreds of years, and he will fight to the death to stay on it. And it now looks as if he will have support from the surrounding Arab States (witness the hot protests to the U.S. State Department by Egypt, Iran and the rest, when somebody introduced a resolution in the Congress to back up the Zionist demand for repeal of the White Paper immigration clause).

The Arab is told that he makes no progress, and the improvement in Palestine since the Jews came is pointed out to him. He replies: The Jews have a bottomless purse. We have nothing except what we take out of our people's mouths and hearts.

My informant (a Government Arab official whom I cannot name) said, "We have no outside funds. We must do things by ourselves, out of ourselves; therefore we

need time. People who say we have remained static for hundreds of years forget that when we were under Turkish rule we had no sympathetic support, but were held down."

To show that the Arab is trying to progress and has advanced in the past twenty-five years of Mandate, he gave me some figures:

The Arab town of Nablus, for instance, has grown to 40,000 people. Between 1919 and 1942, more than 1000 new houses, 427 shops, a hotel, a paper factory, two new modern mills and a match factory were built. Some 65,000 Arab children are in Palestine's public schools, 35,060 others in private or Christian schools.

He pointed out that each year, as more Arab children were educated, teachers would be available to educate the others. He declared that the Arab is becoming socially conscious, and is giving money for orphans' schools, hospitals and trade schools.

The Jews claim that the improvements made by the Arabs derive from the British Mandate law, the influx of Jewish money, and the stirrings of Arab nationalism that spring from jealousy of the Jews.

The Arab is enjoying a great prosperity in Palestine. But if you should withdraw the millions of dollars a year invisible import of Jewish philanthropy, and the standard of living in Palestine had to be what the country itself could support, the level would fall back precisely where it had been, no different from the rest of the Arab world. If this should happen, the question arises: Would the Arab improvements go on? Would the gradual rise in culture continue?

## CONCLUSIONS:

There are many statistics to buttress the above outline, but I see no reason to adduce them here because they would only increase but not improve the outline given. I am shipping them to you. No matter how

## "THE BRIEF FOR THE PROSECUTION"

By C. H. DOUGLAS. (Continued from last issue.)

PART II. CHAPTER III. \*

**"A mass of evidence establishes the fact that there is in existence a persistent and well contrived system intended to produce, and in practice producing, a despotic power which at one and the same time places Government Departments above the sovereignty of Parliament and beyond the jurisdiction of the Courts."—Lord Hewart, "The New Despotism."**

Since a considerable portion of the earlier portion of this book is devoted to an examination of the process and the origins of the situation to which Lord Hewart refers, further emphasis on the fact is unnecessary. But the statement just quoted, great as its value is as coming from a Lord Chief Justice of England, only deals with half the indictment. The system to which he refers does not merely place the anonymous bureaucrat above the law. It places the law, and the sanctions of the law, at the unchecked disposal of the bureaucrat.

It should be realised that the situation of an anonymous lawmaker has become at least temporarily impregnable, and is a violation—admittedly only open rather than covert—of the principles of Parliamentary government without those principles having been renounced.

For some time, much too long a time, no Bill has been presented to the House of Commons, which has not been drawn up by the Treasury, whoever ostensibly sponsored it. But someone did sponsor it, and a facade of responsibility has been maintained until recently. This has now gone. "The State" makes laws "tout court." "The State," in fact, is quite probably some little-naturalised alien full of bright ideas from the ghettos of Mid-Europe, looking for preferment to any quarter rather than that affected by his law making. To employ a colloquialism, lawmaking has become altogether too easy.

Law is taking on a new aspect. For centuries concerned to maintain every man in his rights, it is mainly now employed to take them away.

Interference in small matters, to have any rationality, apart from desirability, must postulate an over-riding policy, and if unlimited latitude is allowed, even in regulation making, control of policy goes with it. To illustrate this, we may consider the proposed large projects for the "utilisation" of Scottish waterpower.

The Report on which the proposals are based remarks, "No vested interests will be permitted to interfere" with them. That is to say, the proposals represent an over-riding policy, which will be empowered by the sanctions of the law to sweep existing vested interests out of its path. At the same time it is admitted that the objective is more power for factory industry,

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\*The extracts from Major Douglas's forthcoming book are published with a view to the existing situation, not in the sequence or detail in which they will ap-

honestly and factually the various arguments are advanced, protest will be aroused. The Zionist has a fanatic spiritual belief in a greater Palestine for Jews; but the Arab picks up the soil in his hands and says it is his and no third power in the world can take it away from him without a fight. Over here reporters and observers have distinct sympathy for both factions and complete bewilderment as to how a solution can be obtained.

The immediate problem is insoluble.

**The Arab world will rise if the White Paper clause on immigration is rescinded.**

If the clause is not rescinded the extremist groups will try violence so long as it seems to help the case.

**The Zionist will never consent to autonomy for Palestine while he is a minority.**

If the status quo be continued under the White Paper, the Arab will remain quiet; but the Zionist will say to the world that the original ideal of the Balfour Declaration, of Zionism, has been thwarted and the Jewish problem remains just what it always has been.

**The idea of partitioning will not work and here's why:**

Originally Palestine was part of a big Turkish domain that was Syria. After 1919 it was cut up into Trans-Jordan, Syria, Palestine, etc. But the whole was an economic unit just as Austria-Hungary was an economic unit. And when you separated Austria from Hungary, the breadbasket, Austria died. So, too, but for outside money, would Palestine wither, because Syria and Trans-Jordan raise the food to make the whole self-supporting. A tiny Jewish State, surrounded by hatred and tariff walls, would perish.

**The decision of the United States to get into the Middle East oil business by building a pipeline from Saudi Arabia also figures importantly in this affair. The pipeline will run for hundreds of miles through Arab territory, and will depend for operation upon friendly Arabs who won't put a few bombs in a pumping station. Consequently, as Jews sadly told me, the United States in its foreign policy will unquestionably do nothing to offend Arab leaders like Ibn Saud.**

Which means that the Arab-Jew problem will remain precisely as it is now until after the peace.

Then, if my observations are correct, the Palestine problem will die out by sheer lack of Jews who would give up their own homeland to plant themselves anew in the sterile hills of Judea.

—"Readers Digest," June 1944.

## SOCIALISM AND WAR

From the "Social Creditor," England, October 14:—

It is already becoming obvious, as anyone could have foreseen, that one of the most serious anxieties of the Russian ruling junta is the effect on Russian troops of their entry into civilised countries. Every disinterested commentator has remarked on the amazing ignorance of the general population as to the conditions outside the sway of the Soviets, and it is not impossible that the marked disinclination of the Russians to invade East Prussia may be, in part, due to this influence.

"The Times" of September 30 indicates the line, which hardly seems likely to be very effective, that is being taken as Russian soldiers enter Roumania. Quoting an anonymous Russian war correspondent who adjured the Red Army in slightly hysterical terms, "Your eyes will be dazzled by much shoddy, sparkling, trash. Don't believe this mirage of artificial civilisation; look into the heart of the land, into the people's soul," it remarks that "great interest has been aroused in Moscow." We can imagine without difficulty, having low tastes, the remark of Sergeant Tompkins, of the Loamshire Light Infantry, on being exhorted to look into the German people's soul.

Although the danger to Socialism of educating the Russians by experience is probably more important ultimately than is generally realised, there is little difficulty in apprehending the dominant Russian objective in slowing up the war effort. It is to keep the war going indefinitely, while Russia's Fifth Column, in this country particularly, uses "war or threat of war" to establish beyond hope of release the grip of the Finance-Labour-Socialist bureaucracy with the World Sanhedrim behind it. It is, of course, this factor, which makes the "unconditional surrender" formula so dangerous. The World Plotters know quite well and quite correctly, that this crisis will only be resolved by turning national war into cultural war, and they also realise, equally correctly, that only war will marshal an effective majority into the ranks of "Labour" and enable them to hypnotise this temporary "Labour majority" into the idea that it is a "class." The Trades Union Congress, one of the most dangerous cartels in the world, has only to look at its assets, which have increased more than £30,000,000 since 1939, to know that war is its most profitable activity.

We quite realise that Mr. Churchill is entirely impervious to advice from any quarters other than those, which have enabled him to reach the pinnacle of his ambition. But if some of his immediate circle could induce him to put a little more finesse into his entirely justifiable determination to put the Germans where they belong, we think he would be in a better position to deal with the next war.

## IMMUNITY OF MASTER-CROOKS

No doubt, Clarence, you have noticed the type of "War Criminal" who is getting himself shot.

In Germany it is the Generals, in Italy petty officials such as Caruso. And do the Bleichroeders, the Rothschilds, the Schiffe, the Counts Pirelli and Volpi lose any sleep over them? Hardly. The Goy are only cattle, you know.

—"The Social Creditor."

figure. There is no possibility of utilising power from extensive hydraulic development for many years after any normally contemplated termination of hostilities, and such termination must cause an almost immediate drop in the demand for electrical power. By the time the immense works contemplated are complete, industrial demand, in the absence of war, will have fallen far below present electrical supply capacity, and will not be replaced by equivalent domestic use.

To the extent that this capacity displaces manpower (the objective of using electrical power) the unemployment situation, looked at from an orthodox point of view, will be worsened.

The proposal to increase greatly the generating capacity of electric power-stations, therefore, requires far more justification than has publicly been offered for it, by whatever means the power is generated. The idea that there can be no limit to the generating capacity required is not merely absurd on the face of it, but is contradicted by experience, except in war. If it has been decided to adopt the philosophy of the Great German General Staff, that the primary objective of a nation is war that is another matter. Even so, it is far from certain that these large power stations do not constitute the gravest possible military risk. There is a considerable mystery surrounding their comparative immunity from attack.

(To be continued.)

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