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FOR POLITICAL AND ECONOMIC REALISM

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From Week to Week

MAINTAINING THE RUSSIAN-AMERICAN BALANCE IN ISRAEL:

Perhaps the most remarkable thing about the Middle East at present is that the real drama going on is completely different from that produced for the benefit of the public.

The one country that helped the Jews practically and, in fact, enabled Israel to hold its own on the battlefield was Czechoslovakia and not necessarily the Communist element there. Had the Jews not received the Czech arms, they would have gone down . . . the Americans knew of this; so did the Russians. Over two months ago the British Foreign Office issued a statement giving details. No-one, however, interfered. The Russian-American balance was carefully maintained in Israel.

Then a few weeks ago came the backstage *chômage*. While the first American envoy was arriving in Tel-Aviv . . . U.S. representatives started a drive against Israeli purchases of war supplies, particularly in Eastern Europe. They succeeded in stopping a number of deals. They threatened the Government concerned—and the Jews concerned—with stringent sanctions. Apparently it had been decided that Israel was to be just so powerful, and no more . . . the moment American policy changed in this way, Russian policy followed suit.—Jon Kimchie, writing from Geneva to *The Jewish Chronicle*, September 3, 1948.

It would be difficult to over-rate the importance of the foregoing extract, more especially having in view its source and publishers. It confirms our conviction that the present condition of the world is in the highest degree artificial in the sense that it is consciously produced and maintained. No ameliorative schemes, however well-meaning and however sound in themselves, can be projected with any hope of success until the cancer which is spreading through civilisation has been eradicated.

“Until we become divine, we might as well remain human, lest in our hurry for a change, we descend to something lower.”—Anthony Trollope.

The Hon. Sidney Pierce, Director, Canadian Commercial Corporation, a Member of the Crown Assets Allocation Board, is the present *Canadian* Ambassador to Mexico. Address: *United States Embassy, Mexico*.

There is a marked congruity between the claim of the Jews to double nationality, that of their country of residence, and that of “Israel,” and the obverse status which appears to

be conferred on natives of the British Isles in their relation to the once-great British Empire. British citizenship is for Jews a defence but for Britons an offence; the British Empire is at once the bulwark of civilisation and the target of exploitation.

It is high time that we made up our minds just what is the nature of the Empire and founded our policy upon our conclusions.

That remarkable organisation, the Church of the Latter-Day Saints, perhaps better known as the Mormon Church, which entirely dominates the State of Utah, once “the land that nobody wanted” and now the best administered, and, in other ways, the most civilised State of the Union, is largely Welsh in derivation.

Both in ecclesiastical and administrative affairs great importance is attached to this heredity, and so far from genealogical interest waning, it has increased to such an extent that a Mormon Commission has been sent to Wales to microfilm Welsh parish records, pedigrees and wills prior to 1858. The necessary sanctions have been granted by the Welsh Church and the other authorities concerned, and the work is expected to extend over five years from now. The Commission “took time out” to attend the Braemar Gathering, to its great delight.

In his book *This Was My Choice*, Igor Gouzenko, the Russian whose testimony formed the basis of the Canadian Spy Trials, is emphatic in his dissent from the theory that the Russian Communist Party is controlled by Jews, and, on the contrary, suggests that they are increasingly unpopular in Russian official circles. This may have some bearing on the curious attempt to present “Socialism” as something entirely different in its nature to “Communism” which is being made by the “B.”B.C. and other crypto-Government propaganda agencies. By any standards, Stalin and Co., are impossible people; but in the great days of Maisky and Litvinoff, they would have been presented to us as just playful little dears. As it is, they are not getting a good Press, and we await the conversion of the Dean of Canterbury.

In its issue of August 27, the *Christian Science Monitor* raises a question which is certain to attract increasing attention—the parallel, but not identical problems of monopoly and bigness. The mere apprehension of their duality is far from general.

There is a considerable body of literature on the subject of monopoly; and it is not unusual to find bigness treated as a desirable end which only monopoly can achieve. In fact, it is becoming clear that in many cases, the tendency of monopoly to bigness is in itself a condemnation, and is the outcome of a special type of intellectual laziness fatal to the attainment of the best results.

"Britain" is to receive an interest-bearing, repayable loan under the Marshall Plan of £315,750,000. Of this she is to "lend" £125,000,000 to unspecified other countries, who are just as likely to pay it back as they are to pay us the money they borrowed in the 1914-18 war. So on this transaction, we shall get £190,750,000 (perhaps) and have to pay back £315,750,000 with interest. Now do you see who owns "your" coal and "your" railways? And why?

THE DREARY DILEMMA

By R. GAUDIN

I.

PRICES AND PROFITS.

At the request of the Chancellor of the Exchequer a Report on Prices and Profits was drawn up jointly by The Federation of British Industries, The Association of the British Chambers of Commerce and The National Union of Manufacturers. It was issued in March of this year (1948).

This Report recommends "—on the assumption that the necessary complementary action is also taken by way of stabilisation of wages as set out in the White Paper together with a reduction of Government expenditure—" that for a period of one year prices and dividends shall be stabilised. This Report also points out that the key to reduction of costs and prices is increased productivity. It further calls attention to a number of factors that mitigate against a reduction of costs and observes that "the costs and prices of all goods manufactured in this Country are dependent upon the prices of basic commodities and services—" which are outside the control of manufacturers. Other proposals such as increased savings and no increase in taxation are added.

Well, what then? Prices may fall very slightly at the expense of profits and as it is a part of Government policy to restrict capital investment; demand for certain types of materials will fall. If a further reduction in Government expenditure results from the implementation of the recommendations expressed in the Report personal monetary incomes will be very substantially reduced.

Quite frankly there is nothing new in all this, it is the same "old remedy" which has been advocated time and time again. Briefly it is to say "produce more" and "spend or consume less." But if less is spent how can production be increased? If we stop spending altogether, production ceases and we die of inanition. Thus we are once more faced with the "Dreary Dilemma" which has appeared not once, but continually, year in and year out, generation after generation.

How is it that we can uncover some of the secrets of nature yet the pronouncements of all committees set up to consider our economic problems leave this vital problem unsolved? Let us examine this further.

II.

THE BOOM AND THE SLUMP.

This "Dreary Dilemma" which is, from time to time, "resolved" by a series of "booms and slumps", has been a rod to attack the "capitalist system" so-called. The chief victim has been the genuine small capitalist who out of his savings has undertaken some enterprise, or who in his later years retires and invests his "life savings" in securities which

he calculates will give him a sufficiency for the rest of his days.

In spite of the growth of big industrial units it is by and large, in the smaller enterprises that the spirit of this Country lives, and fortunate it is that so large a proportion, estimated at some 67 per cent., of our production is the outcome of the initiative, ingenuity and organising ability of their owners "the capitalists." Communities having in their midst a multiplicity of such enterprises are generally the more contented for the simple reason that the individual is not submerged and the personal relationship between the "Boss" and his men is close and intimate. They treat each other as human beings and although the functions of the "Boss" and the functions of his men are different it is recognised that they are complementary. These smaller units have developed as organisms rather than as organisations, and the "boss" or "master" is regarded with affection. I have heard of them as "Mr. George", "Arthur" without the "Mr.", or just "the old man." I know one called "Uncle." No disrespect is meant by this. In such surroundings strikes are unknown. Troubles come, of course, but they are usually troubles pressed from the outside—troubles arising from a slump for instance—not disruption inherent in the unit itself. Thank goodness industrial Britain can still number many thousands of them; but for how long?

Every time we have a slump, firms once prosperous will get into difficulties. Socialism will not prevent slumps so long as it continues within the orbit of the present money system. Of the firms in difficulties a few will be ruined and either they will be liquidated or become mortgaged to their bank. If the first thing happens they may become absorbed by some more powerful neighbour. This process called "concentration" or "rationalisation", is looked upon as inevitable and a good thing! Is it? What happens? Human beings are hurt. The master's staff and workmen are dispersed without just cause and their homes are broken up; the master himself may become an employee of the large organisation with his self-confidence impaired and his enthusiasm damped. Psychologically he is a sick man.

Of course, if slumps are the result of "inexorable economic laws" nothing can be done about it and the involuntary disappearance of small units into larger ones is inevitable. I would not accept that view, but I do note that by this process *control rests in fewer hands and personal freedom is more circumscribed.*

Let us now consider proposals which claim to produce prosperity.

III.

PLANNING.

Soon after the commencement of the great slump in 1929 when the abounding prosperity of the U.S.A. came crashing to destruction, voices advocating "planning" began to be heard. In the U.S.A. it took the form of "The New Deal" under the Roosevelt administration. In Britain the associated group known subsequently as "Political and Economic Planning" was busy formulating schemes of full employment and the general re-organisation of Industries and Services throughout this country. These schemes were soon welcomed by the Fabians and the London School of Economics where the bureaucrats of the future socialist state were being trained. In fact Socialism and Planning are

probably so closely allied as to be indistinguishable in practice.

The theme of the planners is that by proper organisation under experts, inefficient public services and sections of industry can be made efficient and that full employment will be obtained and serious booms and slumps eliminated. Examples of planning are The Milk Marketing Board, the former London Passenger Transport Board and the former Central Electricity Board. In the process, although it is claimed that uneconomic competition has been eliminated, *centralised control over the nation's vital services has been obtained.*

Planners will say that this is all on the credit side of planning; yet people are so perverse that they are rarely so happy in very large organisations. This, of course, is tacitly recognised when all kinds of services are introduced by the managements involving personnel, welfare, medical and other departments which are set up to deal with difficulties arising out of "bigness." In their turn these auxiliary departments suffer from a multiplicity of rules and regulations which are inevitable with such organisations. Impersonality pervades everything and if you happen to become a "hard case" not covered by the regulations, then "it is just too bad"—but the resentment will remain.

The setting up of monopolies which the planners think desirable greatly limits the choice of the individual. In those spheres of enterprise where monopoly does not exist an employee, dissatisfied with his conditions, may leave and join another undertaking. *He is less able to exercise his freedom of association with private monopolies and he is virtually a chattel slave, however well he may appear to be treated, in a state monopoly.*

IV. SOCIALISM.

Now "planning" received an enormous impetus when we were forced into the second phase of the world war. In fact, just after "Munich" P.E.P.'s journal *Planning* (October 4, 1938) stated: "We have started from the position that only in war or under the threat of war will a British Government embark on large scale planning." *War was the planners' opportunity.*

Three years ago in an address to a number of manufacturers I said "Planning means the encouragement of monopoly, ultimately State Monopoly or Socialism." General Dittmar, the German war time wireless commentator said that Socialism was merely Militarism carried into daily life.

So now, with State Socialism, we find ourselves three years after the end of hostilities, enduring physical conditions which are only very slightly less severe than during the war, and regimentation is the order of the day. In some ways rationing is worse than during the war, clothes are much dearer and often just as scarce, the private motorist has so little petrol that it is hardly worth while running his car. The "Bank of England" has been nationalised and a greater tyranny than ever has been imposed on us. If we change our own money into the money of the country in which we happen to be travelling, in excess of the paltry allowance permitted, we are prosecuted and fined savagely. We now "own" the Railways, Coal Mines and the Electricity System, but receive no dividends. Huge losses in the production of inferior coal are reported. War Agricultural Committees, an emergency measure for war, are now permanently enthroned on a "peace

basis." Farmers have to obey orders from these committees or be "liquidated." Last year the Industrial Organisation Act and the Statistics of Trade Act were passed. They gave ministers, through their appointees, such power that manufacturers can also be "liquidated." The Health and the Insurance Acts are now on the Statute Book. They give Ministers, particularly the Minister of Health, power over the individual which is not yet fully realised. The independent people or so called independent people are to be savagely taxed by means of a capital levy.

These measures are all in line with the objects of "Planning." "Freedom and Planning", a document circulated privately in 1931 to a few members of the group stated "Whether we like it or not, the individual farmer—will receive instructions as to quantity and quality of his production." The manufacturer "... will be less free to make arbitrary decisions as to his own business" and for the retailers "Reorganisation of retail methods is necessary. The waste involved in the 500,000 or more retail shops cannot be allowed to continue to block the flow of goods from producer to consumer." (Incidentally it is not clear to me how shops "block the flow of goods.")

Not only are we more regimented than the Germans ever were before 1939, but we are rapidly approaching complete Communism, the end product of Socialism. Thus great "Reforms" are leading us to complete slavery.

V. COMMUNISM.

Socialists and planners profess to consider Communism a great evil, but few, until comparatively recently, appear to realise that their policy will reach this inevitable end. At last, some are indeed anxious, but few see a way out. As I shall show later, just as Communism will derive from Socialism, so Socialism derives from orthodox financial practices. Just as the Conservative fails to grasp that the finance of which he approves, generally without understanding, produces Socialism, so the Socialist fails to grasp in his turn that their end product, Communism, is derived likewise from a persistence in orthodox finance. Finance is the father and mother of both these undesirable offspring.

The people who control finance are well aware of this, but as their aim is centralised power they use any means that will serve their ends. Control is now both through money and planning. The first, hidden to most as to its working, has been an admirable means of control as the sufferers have not realised what has hit them. To-day, by the introduction of bureaucratic methods and Statutory Instruments, the policy of the controllers comes into the open for all to see. So we are now witnessing a growing revolt against regimentation. But the planners say "planning is inevitable." They are right only so long as orthodox finance is permitted to exist; they are definitely wrong if finance itself were modified to foster freedom.

The loss of freedom is taking place at many levels. Not only are the people losing their sovereignty but so are states. It was Professor Arnold Toynbee, Secretary to The "Royal" Institution of International Affairs who at Copenhagen in 1934 declared that they were working discreetly but with all their might to undermine the sovereignty of their respective nations, and that they were denying with their lips what they were doing with their hands! Evidently honesty is at a dis-

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Saturday, September 25, 1948.

'Some' Retirement

A newspaper reputed to be owned by Lord Beaverbrook (to whose care Mr. Winston Churchill has retired) says, from its familiar knowledge, that "Douglas is now living in retirement in the country." "Douglas?"—oh, he's the man 'with whom Mr. A. R. Orage worked out the principles of Social Credit.'

Possibly a subordinate motive of the paragraph is the newspaper's anxiety to enlist support for *The New English Weekly*, which "must be dissolved" unless £1,000 is forthcoming "to enable it to continue publication." "The Weekly," confides the newspaper, "is no longer in sympathy with Douglas."

Being now reminded what a man living in retirement "in the country" can do towards livening things up a bit, we should feel ourselves to be failing in our duty if we did not transmit the cheering stimulation to our own readers, whose existence the gossip writer up in London has by no means overlooked, however it may seem. There won't be much retirement for anyone genuinely concerned with Social Credit, although there is everything to encourage them to persevere in the fullest employment of their energies. Divide twelve by the number of lines in *The Evening Standard* and you have the fraction of the grand total cost of producing that paper spent in one day in one place in counteracting the effect of Major Douglas, the Social Credit Secretariat and its supporters. So far as Social Credit is concerned, such pressure is now directed against no one else at all. The initiative has passed to our hands. We can and we do name and describe accurately the enemies of that civilisation which, according to understanding, is sometimes rightly sometimes wrongly called 'Christian,' with sufficient effect to make it inexpedient for the attacked to let anyone, who doesn't already know, who their accusers are, lest general conviction should bring vengeance upon their heads. They are not ready to deal with a situation developing faster than their plans. The implied tribute to the genius which has guided us to this point, unerringly, should re-invigorate everyone who has been touched by Douglas's mind and thought. And we believe it will.

Without particularising (indeed with direct and explicit avoidance of reference to a particular case) we regret that any agency which might contribute to the relief of society from its major difficulties should be threatened with suppression or extinction. There is room and opportunity in this country for twenty newspapers, new newspapers, each contributing in its own way to the attainment of the objective we envisage. In competent hands they would all, we believe, have a modest initial success and a brighter future. No

'national daily' would refer to one of them by name if it could help it, and a knowledge of the truth about it would depend solely upon the insight of its readers and the discernment of similar journals inspired by a convergent policy. They would not compete with one another, nor would one of them be a tolerable substitute for this journal. In default of the 'competent hands,' even one such venture is a Castle in Spain.

"A Call to Parents"

A correspondent in whose judgment we have great confidence sends us the following, which appeared in *The Canadian Jewish Chronicle* for August 20, 1948. Bearing in mind that 'American' to Canadians means the U.S.A.—(cp. 'the American President', 'the Americans', etc.), the emphasis falling upon 'citizens in democratic America' (paragraph 1) and 'the democratic American heritage' (paragraph 5) makes it indubitable that these references are used in a political and not in a geographical sense. There is no referenc to 'North' America, the correct geographical expression. The paragraphs are headed in *The Canadian Jewish Chronicle* as above:—

(1) "This is a call to Jewish parents, upon the approach of a new school year, to consider the education of their children—in terms of their personal happiness, in terms of the historic times in which we live, in terms of an understanding of their heritage, in terms of synthesizing their lives as Jews and as citizens in democratic America.

(2) "We believe that the Jewish child cannot achieve personal happiness without an understanding of his life as a Jew. He will gain such understanding only through Jewish education. Without it, that which should be a source of security to him may become a source of insecurity, unbalance, inferiority and escapism. Without it, the spiritual bond between parent and child, between his past, and his present, are severed.

(3) "Without Jewish education, our children can have no understanding of the stirring historical fact of the establishment of the State of Israel based on the precepts of liberty, justice and peace taught by Hebrew prophets.

(4) "Without Jewish education, our children will not understand that when the Hebraic tradition is rejected, the mechanics, and the social setting of democracy can be, and have been perverted for the uses of tyranny.

(5) "The call is for your child or children. The call is to you, the parent, to make sure that, along with the democratic American heritage, the heritage of Judaism is made available to our younger generation.

(6) "If your child already attends a Jewish religious school, make sure this education is continued. If he is not yet enrolled, enrol him now.

(7) "To have happy, adjusted, informed, inspired Canadian Jewish children and youth there must be co-operation between parents and schools; community and schools, schools for general education and schools for Jewish education.

(8) The United Talmud Torahs, and Associated Schools will open their classes on September 7.

(9) "Seek out your school now."

WORLD PLANNERS*

Readers of these pages are familiar with the objectives and activities of P.E.P. (Political and Economic Planning) in Britain, but have probably less information of a similar broad-sheet-issuing group of planners on the international level with headquarters in New York and branches in London and Paris.

This body is known as The Carnegie Endowment for Peace. The history of this group as given in the preface to one of their *International Conciliation* pamphlets is as follows:

"For a period of twenty-one years the Preface to each issue of *International Conciliation* until the present one has borne the signature of Nicholas Murray Butler.

"Publication of this periodical began in April, 1907, with the formation of the American Association for International Conciliation in which Dr. Butler was instrumental. The American Association was an out-growth of the Association founded in France in 1905 by Baron d'Estournelles de Constant, a close friend of Andrew Carnegie and of Dr. Butler. Two years later Mr. Carnegie provided funds for a branch in the United States, and a four page leaflet by Baron d'Estournelles de Constant presenting the programme of work of the Association was the first document in the series of *International Conciliation*.

"When in 1910 Mr. Carnegie established the Endowment, Dr. Butler was one of his chief advisers, together with Elihu Root who became the Endowment's first President . . . The Endowment took over the support of the American Association for International Conciliation, and its activities were controlled for many years by the Endowment's Division of Intercourse and Education, of which Dr. Butler was Director. Publication of 'International Conciliation' continued under the auspices of the Association until July 1, 1924, when the work of the Association was merged with that of the Division.

"Upon the retirement of Mr. Root on April 17, 1925, Dr. Butler became President of the Endowment, retaining also the Directorship of the Division of Intercourse and Education. His resignation on December 10, 1945, as President and as Director of the Division, to become President Emeritus, in no way lessened his interest in the Endowment and in 'International Conciliation.' With his death on December 7, 1947, there passed the one remaining survivor of Mr. Carnegie's original group of Trustees, who by his distinction and devotion to the purposes of the Endowment was pre-eminently responsible for its development.

"ALGER HISS, *President*.

"New York, May 4, 1948."

Among the present Trustees of the Endowment are William Wesley Waymack, Editor of *The Register and Tribune, Des Moines, Iowa*. He is also a member of the Atomic Energy Commission; Alger Hiss, now the President.

Alger Hiss and his brother Donald Hiss have recently been cited as belonging to a communist underground group in U.S.A.

Donald Hiss is a member of 'The Commission to Study the Organisation of Peace,' and he contributes a pamphlet—No. 71—entitled "United States Participation in the U.N.;

a study of the methods and mechanisms used in the formation and co-ordination of Policies Proposed by the United States. A brief analysis of the methods used in Washington, both by the Dept. of State and inter-departmental bodies in developing United States policies on United Nations matters. Considers also the relationship between the Washington groups and the United States Mission to U.N. . . ." Issued November, 1947.

These are among the groups which have framed (1947) a World Constitution for the 'cahmon Man.'

We have no confirmation that a pamphlet entitled *World Government: or Serpens in Herbam* by Alger and Donald Hiss will shortly appear, but as Dr. Evatt will be able to tell Australians when he returns, we surmise he knows these gentlemen as Alger Hiss was Secretary-General for the San Francisco Conference which founded U.N.O.

Further to our Subject the following information published in *The Sydney Morning Herald* of August 8, 1948, is relevant: "A former Communist yesterday told the House of Representatives Un-American Activities Committee the names of six former U.S. Government officials who, he said, had formed a Communist underground before the War.

"The witness was Whittaker Chambers, an associate editor of *Time* magazine.

"Chambers said the Communist group was led by Nathan Witt, who was formerly attorney for the National Labour Relations Board. Others in the group were:

"Alger Hiss, now head of the Carnegie Foundation for World Peace. He was formerly a member of the State Department and helped organise the Yalta and Dumbarton Oaks Conferences, and acted as secretary-general at the San Francisco Conference which founded U.N.O.

"Donald Hiss, who formely held an important position in the State Department, and is now practising law in Washington. . . .

"Chambers said he was a Communist from 1924 to 1937 and served in the underground movement, chiefly in Washington.

"He had renounced Communism because he had become convinced it was a form of totalitarianism and that its triumph meant human slavery and spiritual night to the human mind and soul."

The Dead Sea Chemicals

At 1925 prices, the value of chemicals in the Dead Sea are estimated to be £240,000,000,000 Chapter IV of the Anglo-American Report on Palestine, dealing with Geography and Economics, does not mention the mineral wealth within the area. The Crown Agents for the Colonies issued, in 1925, a publication entitled, *Production of Minerals from the Waters of the Dead Sea*, which ceased to be available for purchase soon after it was issued, though there are copies in the libraries of the British Museum, the Colonial Office and the House of Commons. The publication is the chief source of public information on the subject of this aspect of Palestine's resources. It is 'Captain Arthur Rogers's contention that the "something peculiar about Palestine," which

* From *The Australian Social Crediter* of August 28, 1948.

makes it worth the while of "certain powerful financiers" to promote a national home for the Jews there, is connected with the great asset disclosed, which has been surrounded with so much secrecy. He pleads for public enquiry, leading to the removal of "the chief underlying cause of the present dilemma." *The Palestine Mystery* summarises his views on this matter, and gives a clear account of the evidence upon which he relies. It is published, price 2/-, by the Sterling Press at 50, Old Brompton Road, S.W.7. We do not ourselves believe that the present crisis in world affairs is to be explained by the determination of a business minority to possess a material asset (in at least the ordinary sense of the phrase) however large: it is traceable to a determination to control a moral asset, with control of material things as the fulcrum. Fulcra of sufficient stability for political action on a large scale are coveted properties, and we should agree that everything possible should be done to take them out of the hands of mischief-makers.

THE DREARY DILEMMA (continued from page 3.)

count. So just as people within nations are made slaves so the nations themselves become grouped together as so many pawns in the world game of power politics. To-day it is probable that E.R.P. is, in effect, a method of regimenting the nations and peoples of Western Europe, using at the same time the fear of war as the driving force.

What if the people far enough back behind the scenes striving for the consolidation of Western Europe, and the controllers of Russia are the same! This idea is not so fantastic as it may seem. It is well known that certain bankers with headquarters in New York financed the Russian Revolution. A Socialist M.P. told me that they strongly suspected that much of the Communist finance came from big interests in the City of London! There is ample evidence that Social Credit is attacked equally by the titular "Left" and "Right" although it is based on a philosophy which would bring peace and freedom to this distraught world. A document which came to light through an indiscretion of one of the "Rose" family, significant in view of the evidence subsequently obtained at sittings of The Royal Commission set up by the Canadian Government on spying in Canada, has *inter alia*, this to say. "We must never be caught again as the key men in Alberta were. When Douglas appeared before the Alberta Legislature, B—e under my guidance inferred to Douglas and Aberhart that the United Farmers were sold on the idea of Social Credit. That was strategy. How Aberhart learned that B—e had consented to call a snap election (PROMPTED BY MY INTERESTS IN NEW YORK WHO FINANCED ALBERTA BONDS), is what baffled me. Some person in the know, probably a Christer, probably told Aberhart. I was called to ARMTORG Only by going directly to the KREMLIN and because of my long service for the cause, did STALIN OVERLOOK MY MISTAKE IN ALBERTA." Note carefully the words in capital letters and draw your own conclusions. What if the real aim is the WORLD SLAVE STATE *via* Communism? Western Europe, when consolidated, would be ripe to fall into "Russian" hands.

It would be possible to expand this theme almost indefinitely, but the point it is desired to emphasise once more is that every "remedy" for our economic ills has the effect of depriving most individuals of their freedom and consoli-

ating more and more power into the hands of fewer and fewer chosen individuals. I would even suggest that the "remedies" are not intended to work. Anyway, it is evident that centralised power is the first objective. To illustrate, *London Tidings*, of April 17, 1948, says "The nationalisation of Bulgaria's industries may wreck Dimitrov's whole economy; production having fallen some 50 per cent." The position of our own nationalised industries is not too happy. This is only in accordance with experience the world over. One only has to read Kravchenko's *I Chose Freedom* and the U.S.A.'s publication *Communism in Action* to have this fact and other very disagreeable facts brought home to one.

As usual the masses are being fooled into asking for the unimportant. It is the controllers who have the power regardless of who nominally "owns." Or to put it another way, it is no use owning the trees when you are denied their fruit.

Unfortunately for the sincere and humane Socialists to be told that the difference between their creed and Communism is only one of degree and not of kind will come as a shock. Consequently the present phase of our European Civilisation is a critical one. How easily our way of life which is being assailed on all sides by stealth may be finally suppressed by the aid of men whose minds have been muddled and polluted by pernicious propaganda!

VI.

FULL EMPLOYMENT.

A policy to succeed must fulfil normal human aspirations and any action that is not in line with them will fail sooner or later, though in doing so it is likely to inflict great suffering. I would add that a policy which purports to do so can only be implemented by starting from correct premises, and then employing correct methods. Now every normal human being desires an active and full life suitable to his tastes and temperament. To enable that condition to be possible his material needs must be cared for so that his remaining needs, particularly spiritual and cultural may be met. This does not mean material needs at the expense of the others, but it does mean a balance between all. *Mens sana in corpore sano* is essential.

Now it is vital to be able to distinguish means from ends, conversely, fatal to confuse the two. False arguments can take this form. Exercise is good for health, cycling is a good exercise, therefore everybody must cycle! This is just the kind of reasoning used in regard to "full employment." Thus a happy and contented people must have plenty of goods and services; these can only be obtained through work, so full employment is essential. But just as there are many forms of exercise in addition to cycling so there are many ways of producing goods and services other than by full employment. Whilst it is true that no production can take place without some employment, chiefly of a directional and manipulative nature, it is pursuing an impossible policy to demand full employment. It is patent that less and less work that involves the use of human muscles is necessary with the enormous machine power at our disposal. Thus to say, in these days, that "unless a man work neither shall he eat" has no moral validity. This idea of the virtue of employment for the sake of employment is carried to the ridiculous in the P.E.P. pamphlet called "Employment for ALL" where it is quite

seriously suggested that, in the absence of alternative work "It is better to employ a man digging holes than to leave him without any work at all."

So we find this policy of full employment, so crudely and thoughtlessly advocated by all politicians regardless of party, carries with it a threat of destitution, and, perhaps starvation as the alternative. The result is a scramble for employment, much of which is devoted to making useless gadgets in one place and selling them in another. When this fails you increase the bureaucracy and put the balance of the unemployed into the Forces.

The maintenance of heavy armed forces becomes a necessity as each country finds itself compelled to dump its surplus "gadgets" on to an unwilling foreign customer, who in his turn is pursuing a like incompatible policy. The foreign customer eventually resents unemployment and therefore destitution being, as he thinks, forced on his country by such action. Neither seems to recognise that if you are unable to sell your own wanted goods in your own country you will be equally unable to sell the imported wanted goods for no more purchasing power results from the mere exchange. Here we have the seeds of war, the "fight for markets" followed by a bloody fight for our lives. How absurd and immoral are the "moralists" who favour full employment without any regard to the circumstances! Absurd because if the process is carried to *reductio ad absurdum* you may have one country virtually giving its surplus to another by a process of "dumping", thereby throwing all the people in the recipient country "out of work" and starving them. "Poverty amidst plenty" with a vengeance! In practice this becomes war, or an unpleasant form of export of infernal machines and mutual "full employment."

At the present time U.S.A. surplus exports amount to some £3,000 million per annum. Our surplus exports, when we in the British Isles were growing into the great industrial group we later became, were a mere £100 million in excess of our imports. In those days the world was empty and hungry for our goods; now the world is full. Even though we make allowances for the very great differences for the purchasing power of money it is patent that something, probably unpleasant, will happen very soon. "Marshall Aid" schemes may relieve the pressure to some extent in the U.S.A., but as much of it will be given at the price of our freedom it is not good enough. Further it looks as if much of it will take the form of arming Western Europe for the next phase of the WORLD WAR.

Full employment, then, in our modern age is a wrong objective. The right objective, in regard to material things, is to be able to produce all necessary goods and services for our personal and cultural life in the most satisfying way to each individual.

With modern productive machinery at our disposal all our needs could be supplied very quickly so that the utmost efficiency, as the term is generally understood, is not really necessary. In fact, just as before the war and in spite of temporary shortages in some directions, the problem will not be one of production. The propaganda about world shortages, particularly in food, has an air of unreality; in fact one suspects the gigantic cornerings of food markets by the self appointed international bodies under the aegis of U.N.O. The use of such bodies as a means for bringing pressure to bear on countries, such as Great Britain, who do not readily

comply with its, U.N.O.'s, alien policy cannot be dismissed lightly.

No, the "problem" is distribution; it is not production.

VII. DISTRIBUTION.

It was mentioned in Part I that the only way to reduce costs (and so make it possible to reduce prices) was greater output and efficiency. To translate that into a material concept, there must be a greater production of goods per man-hour and unit of energy consumed. We must work harder. Admittedly, this would bring down the cost of a unit of production, but does it help the distribution of the total product which we will presume is in full potential demand? We might get a few more goods for our money, but there would still be some left on the shelves. Of course, the unsold surplus could, no doubt, be distributed by means of a points system where the surrender of points need not be accompanied by a cash payment. Even so, the producer and distributor would have to be paid somehow and this extra money could not be found by extra taxation or, if it were, then other goods, which would otherwise be sold, will remain undistributed. The only way would be to pay the producers by the issue of new money.* Under the circumstances, the use of point coupons would be very clumsy.

It is not my purpose, nor is the occasion appropriate, to discuss monetary schemes to effect distribution. All I need say is that the solution is well known. Consequently, I do not look upon the so-called "Problem of Distribution" as a technical problem at all, except in the sense that it is a psychological one as far as the general public is concerned and contrary to the policy at present being pursued by the financiers. It is all a question of having the power to give the orders for the thing to be done.

At the same time, it seems desirable to explain why lowering of profits by cutting prices and the rest is no solution of itself; why such action causes embarrassment to producers and distributors and to their shareholders through loss of dividends. It seems so self-evident that lower dividends means less purchasing power, smaller sales and eventually stagnation.

The case may be stated as follows:—

1. All payments made in respect of every item of production go into cost.
2. The period over which these payments are made is much longer than the period of circulation of the limited amount of money used to generate the cost.
3. From this it is clear that the rate at which costs are generated is much greater than the rate at which purchasing power becomes available.
4. This being true of any item, it is true of every item and true of total production.
5. If a productive entity is to remain solvent, it must recover at least all its costs, as prices cannot remain less than costs.
6. From the foregoing it follows that all productive entities cannot remain solvent unless there is a constant and sufficient stream of fresh money or credits which are not

* Money in the widest sense which includes any credit instrument facilitating the movement of goods. For example, bank credits.

charged into prices and which are sufficient in the aggregate to bridge the gap between minimum prices and the deficiency of purchasing power.

All the points detailed above are well known to the controllers of money, but as they work for enormous personal power, it is understandable that they should try to hide this obvious truth. They will admit some of the truths, possibly all except the vital one just mentioned. They will say, correctly, that if further increases of money are made to increase capital expenditure, the spiral of inflation will show its ugly shape. Why, incidentally, should it always appear to be necessary to promote capital expenditure, or an excess of exports, to get purchasing power? In order to eat our (under present condition) imaginary steak and onions we must build perhaps a new town hall or, if we want a banquet, an International Exhibition (the Empire being out of fashion) at Wembley. Are we to starve if no more town halls or Wembleys are wanted, or not wanted quickly enough?

Instead of making some sensible provision to provide the necessary purchasing power without inflation, the technique of which is perfectly well known, it is "fought" by giving orders to the bureaucrats to reduce capital expenditure and so reduce purchasing power and force down prices.

Such a "remedy" is pretty drastic and of itself useless to promote peace and prosperity; on the contrary, it will promote discord and *may easily bankrupt some firms whose assets will be absorbed, if it is worth while, into the maws of their more powerful neighbours. This is just in line with the overriding secret policy of centralising power.*

To pretend that there is no remedy for conditions leading to such centralising of power is a deliberate lie. It is quite possible to equate prices to purchasing power and at the same time prevent price increases, or even to reduce prices without making the producer and distributor bankrupt, or undermining his financial position. A well-known economist, holding later a key post as economic adviser to an important government, said to me once in private conversation: "I could do this quite easily if I had my orders."

That is the point. Somehow or other those who can appreciate the position must convince the remainder and so get the executive to carry out a policy that will promote peace and prosperity. If this is not done somehow, then civilisation will eventually perish in world chaos.

VIII.

CONCLUSION.

I have endeavoured to show that "The Dreary Dilemma," which might perhaps be more appropriately called "The Deadly Dilemma", is a consciously contrived situation which will lead to the World Slave State and eventually chaos. Never mind who suffers, centralised world control of policy and power in one group's hands is the objective.

There is a kind of mass hypnotism in this matter so that many of the people having intermediate authority sincerely believe that the "remedies" recommended on prices and profits in the report referred to in Part I, for example, will ease, or perhaps rectify, the situation. They won't.

It is also clear by now that the plausible Socialists Planners' "remedy" is incompatible with freedom and will

inevitably lead to universal "Communism" where freedom is unknown. Even the few in power will not really be free; their lives will be in jeopardy from their rivals for power. It is indeed a question of digging pits and falling into them themselves.

The first stepping stone to achieve the World State is to use money in such a way as to produce "The Dreary Dilemma" which we have been considering. The Socialists are most orthodox in this matter; they neither, as a party, attack the financial system, nor the financiers who control it. They do attack the ordinary man who has made a modest competence, or who has in some way lifted himself above the "common man." This man is crippled by drastic and penal taxation and, if a freeholder, may even have his property confiscated. The Socialists and the Financiers have the same policy and probably the former are controlled by the latter. Lord Rothschild, for example, is a very prominent Socialist.

The Socialists foster "class war" on the descendants of the old landed proprietors, who still cling to the remnants of their former estates, and on the cultured classes. They jeer at the tradition associated with such elements among our people. Financiers, if they are big enough, are left alone.

It is vital for those who inherit the western tradition—poor or rich—be they English, Danish, French or other, to realise that remedies sponsored by prominent men for Unions, Federations and the rest are useless to give either freedom or plenty. But free interplay and co-operation in all spheres beneficial to mankind is welcomed between individuals of all nationalities and also between sovereign states. This is, of course, entirely different from Federation. As the word implies, Federation is allied to the word fetters, connoting loss of freedom and, consequently, loss of power.

If you believe that the State should be the servant and not the master; if you believe that civil servants are there as your servants and not there to order you about; if you believe in the right of the individual to live his own life in his own way, always subject to the corresponding freedom of others; in short, if your outlook is based on the spirit surrounding the Christian philosophy, then take warning from what I have said.

"Read, mark, learn and inwardly digest." Particularly how important to "inwardly digest"! Find out, if you can, the names of the individuals who initiate and pursue their policy of world domination and enslavement; uncover their lies and tell your neighbours. You will then have taken the first step for peace and the prospect of the Kingdom of Heaven on earth.

To What Base Uses

The Radio Doctor, who is also Secretary to the B.M.A., Dr. Charles Hill, according to a newspaper statement, on returning from a World Medical Association meeting at Geneva, said the Hippocratic Oath is 'being amended to include a pledge that the doctor would not take part in crimes against humanity.'