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"Ye shall know the truth and the truth shall make you free"

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THE APPROACHING HYPER-INFLATION

It may be that the ideology-crazed Socialists sitting on the Treasury benches at Canberra really do believe that the deficit-finance "bomb", which the Whitlam-Cairns power combination is assembling, is not a bomb at all, but an ingenious device to quickly correct a depressed Australian economy.

That they will be astonished, perhaps outraged, that a blast of hyperinflation, the like of which Australia has not yet experienced, will occur may well be the case. Predictably. Mr. Hawke and his ilk will be blaming "the system", and on this occasion they will be largely right. For under "the system" the faster the economy "runs" the greater the rate at which inflation "spins off"; and deficit government financing is the method by means of which the economy is normally made to race.

Even that "control room" of the Australian economy, the Reserve Bank, has warned the Whitlam Government of imminent hyperinflation. However, the same Whitlam Government is concerned above all else with the retention of political power, and this cannot be retained with a rising unemployment rate. The effects of a high and ever-rising inflation rate can be temporarily cushioned; but only temporarily, by the process now being applied by Dr. Jim Cairns; viz. deficit financing of the public sector of the economy along with incentives for the private sector—such incentives as lower taxation, individual and company; lower sales tax, etc. This technique can and does work more or less effectively for a time, but as the methods are still based on a fallacy, an untruth; viz. the financial system itself, the day of reckoning is merely put back, and the longer it is put back the more severe will be the inevitable effects on the economy. It would be more accurate to say, the effects on "political-economy", as politics and economics are inter-woven, and cannot be separated. What will those effects be then? Well, in a nutshell, stagflation. Why?

There are several inter-locking reasons. The price level of new production, capital and consumer, will rise sharply. Already some automobile industry spokesmen are warning that the price level of new cars at this time next year will be 20 to 25 percent above those obtaining at the present time (April, 1975), and this will be fairly general right throughout industry and commerce. Interest rates must rise still further to shield lenders against the ravages of inflation. Why lend \$1 million for three years at eight percent (repayable interest \$80,000) when at the time of

the redemption of the loan that \$80,000 will be valued at something like \$50,000 at today's values; and this brings the real, as opposed to the face interest rate at which the \$1 million was loaned down to five percent! So an "inflationary shield" of three, four or five percent must needs be "built in" to the prevailing interest rate, and this interest factor will be pushed immediately forward into the price level of goods and services.

Professor Milton Friedman of the U.S.A., a former economic adviser to the late President Kennedy, and currently in Australia, says that he cannot understand Australia's low interest rates, and gives his opinion that the realities of inflation have not yet been accepted by the Australian business world. This could be right; but this state of affairs will not last long; interest rates will rise.

Thus far the Australian general wage level has been able to (albeit with a limping gait) struggle after the general prices level; but will this continue? No! Why not? Because inflation is being financed by the Australian consumer. C. H. Douglas termed inflation a most deadly form of taxation imposed by the "method" of higher prices for goods and services, and over the past six months especially, the Government deficit financing mentioned above has been keeping the wheels turning. Quite simply, the impending burst of hyperinflation will raise the general price level beyond the reach of many wage earners; they will not be able to keep up. The situation will become eventually like that prevailing during the period of the Great Depression—but somewhat in reverse. At that time (early thirties) there was insufficient money to buy the goods and services, which were freely available. An era of hyperinflation will produce the situation where the purchasing power, which is available, will not generally be able to meet the price tags on goods and services becoming less available as bankruptcies and other dislocations of industry and commerce take place. For example, the proprietor of a factory turning out 60 bicycles per week will be forced to cut costs to the bone, and will find

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DOUGLAS—ON SOCIAL CREDIT PARTIES

There are still (so-called) Social Crediters, who should know better, who dream that man's social ills are able to be rectified by the winning of political power for Social Credit via the party system. There are those who call themselves Social Crediters, yet who are nothing of the kind, those who do have a firm grasp of Social Credit finance-economics, yet still push the "party line". These people are monetary reformers, who have not at all grasped that Social Credit is the policy of the Christian philosophy, and confine themselves to the monetary field of Social Credit, and thus have a most distorted view of the social problems confronting man, and his struggle to retain his freedom.

These monetary reformers, and there are plenty of them about, are convinced that the millenium will automatically be ushered in as a result of a change in the financial rules under which Western societies are now operating. This misconception would be the basis for a very long essay: suffice it to say that it is definitely a misconception. A short rejoinder is that the whole social and political fabric of the West has been undermined because of the subjection of the individual to the rule of money (worship of the Golden Calf) and the concomitant decline in the individual's awareness of, and accordingly adherence to, and pursuit of, basic Christian truths. A mere sudden release from economic want now will not of its own accord regenerate society. The whole force of Social Credit, in all its various fields, must be applied.

Douglas, on many occasions warned of the fallacy of expectation of proper remedies for our ills from political parties. Those who are hostile to such organizations as the Australian League of Rights do not, and cannot possibly understand the nature of the problems of reconstruction of our society on Christian principles. They do not, for example, grasp the perversion of a true democracy by "ballot-box" democracy, which is a sham. It is not difficult to understand that many of those opposed to the Australian League of Rights are sincere and genuine people, but not understanding the nature of democracy, for instance, as the Social Crediter understands it, they are easily convinced that the League is "anti-democratic", "fascist", and all the rest which we hear so often; but not nearly as much as was the case even five years ago! This is, in itself, significant. Of course such people are encouraged in their hostile views by the real "red fascists"—the Communists; and their centralist soul mates, the Socialists.

In "The Approach To Reality", an address given to Social Crediters at Westminster (London) in 1936, C. H. Douglas had this to say of the Social Credit Party notion:

SOCIAL CREDIT PARTIES

"There is at the present time an idea that we should have a Social Credit party in this country. I can quite understand and sympathise with that idea, but it is a profound misconception. It assumes that the government of the country should be a government of experts. Let me show you that it does assume that. If you elect a Social

Credit party, supposing you could, I may say that I regard the election of a Social Credit party in this country as one of the greatest catastrophes that could happen. By such an election you proceed to elect, by the nature of it, a number of people who are supposed to know enough about finance to say what should be done about it. Now it is an axiom of experience that no layman can possibly direct the expert in details, and in normal things no layman is fool enough to try to do it.

If you had a Social Credit government, it would proceed to direct a set of very competent experts—the existing financial authorities, for example—how to do their job. The essential thing about that situation would be the responsibility for what was done. Now no set of 500 or 600 men whom you could elect in this country could possibly know as much about finance as the people they would presume to direct. You know, in all that I have said about financiers, I have never at any time said that they were incompetent, nor are they, within the limits of their own philosophy. But to elect a Social Credit party in this country would be to elect a set of amateurs to direct a set of very competent professionals. The professionals, I may tell you, would see that the amateurs got the blame for everything that was done.

IT IS RESULTS THAT MATTER

What the layman should say is: "I am not an expert in this thing, but I know what I want;" and if you agree that the object of sending a set of men to Parliament is to get what you want, then why elect a special set of men, a special party at all? The men who are there should get you what you want—that is their business. It is not their business to say how it is to be got. The Parliamentary system of this country is a delegation of laymen to represent the wants of laymen, and not to tell the experts how to do it.

Unless you take up the attitude that the responsibility for how a thing is done is neither that of the laymen nor that of the government, you will be perfectly certain to get a state of affairs in which failure and disappointment are absolutely inevitable. How things are done is the responsibility of the expert. What the expert gives as a result is the business both of the government and of the people, and they are going to get what they want. The blame—and if you like, the praise—rests with those people who arrogate to themselves, possibly correctly, the

position of experts. But the right thing for you is to say what you want and see you get it. It is what you get that matters.

It is only possible to have a governmental system—a democratic governmental system—that works that way. You can only get the greatest common factor of the general population to produce a majority, and you are pursuing a fatal course in getting a majority for a misconception. The moment that a majority begins to vote for something that it does not understand, it is perpetrating a lie. It is saying, 'I want something I do not know the nature of, and this is its nature'."

After Douglas had completed his address, time was allowed for questions, and one of them gave Douglas cause to expand further on the futility of advancing Social Credit parties:

FUTILITY OF A SOCIAL CREDIT PARTY

Question. —Why does Major Douglas believe that a Social Credit Party and Social Credit Parliamentary candidates would not be perfectly capable of making experts do their job?

Answer. —It seems very difficult to make this, to me, rather simple point. The essence of it is whether or not you assume that he is an expert then you are electing a second-rate expert to control a first-rate expert. If you agree that the Member of Parliament should not be an expert, then why tie a label on him? The proper attitude of the people is, "We don't care what your alleged name is—the essential thing is that you should do as you are told."

The idea that you cannot get Parliament to give you what you want unless you have a Social Credit Party, means either (a) that the ordinary Member of Parliament will refuse to agree to take the instructions of his constituents, or (b) that you can more quickly get a majority in Parliament which is labelled Social Credit than you can get a majority in Parliament which has merely agreed to do as it is told.

Now that is very largely a matter of experiment, and I am fortunately provided with facts. There were at the last General Election three candidates who stood on various adaptations of a Social Credit platform. They all of them lost their deposits. They all put up a perfectly good fight, but the fact is that they lost their deposits.

With far less concentrated organisation than these candidates had, we went along the lines of forcing the parliamentary candidate or the Member of Parliament to agree to take the instructions of his electors on all occasions if they were properly conveyed to him by a majority of his constituents in regard to anything they

might want. Now, though all the Social Credit candidates lost their deposits, we succeeded in getting 17 Members of the House of Commons committed to do as they are told by their electors. Which of these two has been proved to be the more effective action?

You have to take human nature just as you find it. There are lots of people who will say, "I don't know anything about this Social Credit business. It may be all right, but I don't understand it and I am not going to vote for it. Besides, everybody will say I am a crank." There is nothing repugnant, nothing novel about asking people to insist that their Member of Parliament shall do as they tell him, more particularly if it is pointed out to them that in this way they can get an amelioration of their conditions. What they are, in fact, being asked to do is to assume the functions of real democracy. It is very much easier to get people to do that than it is to get them to vote for a Social Credit candidate.

Apart from its undesirability, I do not believe that there is the slightest practical chance of getting a Social Credit majority. The moment you label a party Social Credit you get a wrangle about the technique of Social Credit, and that is exactly what you must avoid. You must not send candidates to Parliament to be technicians. You must send candidates to Parliament to impose your will upon the technicians who already exist. That is the very essence of the problem."

In an address by Douglas in Belfast in March 1935, he again drew attention to the futility of harbouring any hopes for the amelioration of our social ills from political parties. He said: "The party system, in my opinion, has been one of the greatest pillars of financial power. By the simple process of controlling the finances of both parties we have had only one party in Great Britain for many years, and that is the financial party. So I don't think the proper method of attacking this problem is along the lines of building one more party.

"I think what is required is to recognize that if democracy, is to remain—and the whole future of the world depends upon its remaining, whatever its faults may be—if it is to remain we have to recognise that the upholders of democracy could do it no greater disservice than to suggest that the present so-called form of democracy is satisfactory. It is highly unsatisfactory. It is a camouflage. The House of Commons ought not to be a lot of second-rate experts telling first-rate experts how to run their business."

We trust that the contents of this article will sink into those who find difficulty in thinking politically outside the party structure, and that henceforth we shall hear considerably less about Social Credit Parties. We would hope not to hear even the term, again.

DR. COLIN CLARKE FALSIFIES AUSTRALIAN SOCIAL CREDIT HISTORY

In a recent letter to the journal of the "Save our State Movement" in Queensland, "Queensland Calling", Dr. Colin Clark, well-known economist, again criticises Social Credit. Regular readers will recall that Mr. Eric Butler has replied to much of the criticism previously put forward in daily press articles in 1971. Dr. Clark's knowledge of Social Credit may be judged by his blatant falsification of Australian Social Credit history. "New Times" readers, both old and new, will find the following material by Mr. Eric Butler, originally written to appear in a booklet, of considerable interest:

Dr. Clark told his readers that "In Australia the Social Credit Movement was much slower in getting off the ground. It secured a foothold (where else would you expect?) in Queensland politics, in the person of "Bombshell" Barnes from Bundaberg. This unbelievable character who harangued his electors (most of whom had never seen a Jew) about the Jewish conspiracy, and aired his sexual obsessions in the State Parliament to a point where police had to request visitors to leave the gallery. He claimed that the leading Commonwealth public servants had told him that they agreed with him, but could not say openly for fear of losing their jobs."

Even more unbelievable than Mr. Frank Barnes, whom I knew personally, is Dr. Clarke's version of Social Credit history in Australia. It is as false as his version of Social Credit history in Canada and elsewhere. "Bombshell" Barnes was, by any standards, an extraordinary and erratic politician. He believed in the value of getting headlines. **But he was never a Social Crediter!** He approached me after the Second World War with a view to gaining Australia-wide Social Credit support for his Queensland "Andrew Fisher Labor Party". I issued a report, which in essence said that Social Crediters could not support the programme proposed by Mr. Barnes. Mr. Barnes gave me a verbal thrashing in Brisbane because of my "treachery".

This is not the place for a detailed history of Social Credit in Australia, but the following brief outline is essential in view of Dr. Clark's false claims: As in other parts of the English-speaking world, Social Credit was being discussed in Australia shortly after Douglas's writings started to appear in *The New Age* after the First World War. Most of these were business and professional men, including several engaged in banking. *The New Economics*, a high quality journal was well established in Melbourne before the Great Depression. It was followed by the popular-style Sydney weekly, *The New Era*, founded and edited by one of Australia's most able writers, Mr. C. Barclay-Smith, a former editor of *Queensland Country Life*. *The New Era* reached a circulation of over 30,000 prior to the outbreak of the Second World War. *The New Times* was established by T. J. Moore, former editor of the Melbourne Roman Catholic Weekly, *The Tribune*, in 1935. *The New Times* was backed by Mr. David Robertson, a prominent Melbourne businessman, Dr. John Dale, the outstanding Melbourne City Health Officer, Mr. Bruce H. Brown, at that time Deputy Commissioner for Mails in Melbourne, and similar leaders in the community. One of Melbourne's most brilliant barristers, T. K. Doyle, was a regular contributor to *The New Times*. From the beginning Social Credit in Australia,

as elsewhere, attracted as supporters a big percentage of engineers, manufacturers, farmers - - "practical" people who, unlike most economists, have a first hand knowledge of the realities of operating the production system. An economic theorist may believe that money automatically comes into existence when production takes place, but a potato grower knows better than that as he has never seen any form of money growing with his potatoes!

Social Credit had made so much impact in Melbourne by the 1934 Federal Elections that Mr. Leslie Hollins, an automotive engineer, caused a sensation when he polled over 20,000 votes in Kooyong against the then Mr. R. G. Menzies. Mr. Hollins was subsequently elected to the Victorian State Assembly as an Independent. Although Douglas had rejected party politics as a means of advancing Social Credit, large numbers of Social Crediters stood during the 1934 Federal Elections, the heavy voting for many of them indicating the impact of Social Credit ideas. Following Douglas's Buxton address after his world tour of 1934, in which party politics were formally rejected, and the concept of uniting electors to demand results advanced, the great majority of Australian Social Crediters followed Douglas's advice. The Electoral Campaign concept had its most outstanding success when an avalanche of demand letters halted the proposed National Insurance Scheme just prior to the outbreak of the Second World War. The party calling itself Social Credit was most strongly based in Queensland and continued in the face of Douglas's advice. At one stage it appeared certain that its candidate, Mr. Geoff Nichols, would win the electorate of Wide Bay in the 1937 Federal Elections. He led on the primary votes but, much to the dismay of those who thought that the Labor Party's vague policy on "national credit" indicated a real sympathy for Social Credit, Labor preferences ensured that the Country Party continued to hold the electorate.

In 1934 a Social Crediter, the Rev. G. S. Carruthers, was elected to the Tasmanian Parliament, and subsequently appointed Chairman of the Select Committee appointed by the Tasmanian Labor Government to investigate the Australian Monetary System. Douglas's financial proposals were discussed with a number of the witnesses. As Dr. Clark states in his *Courier-Mail* article of October 6, 1971, that the Guild Socialist G. D. H. Cole did not take Douglas seriously, it is interesting to note that one witness, Mr. F. H. Ault, an engineer, giving evidence before the Tasmanian Committee, quoted from Cole's *Principles of Economic Planning*: "The most appropriate way of distributing incomes would appear to be one which would involve at the outset a recognition of the social character of the greater part of the wealth produced, and according-

ly attribute shares in this wealth to all members of the community by virtue of their citizenship." Cole went on to advocate the distributing "to all members of the community a social dividend as their shares in the common social heritage—the only condition for the receipt of this social dividend being a proved readiness to play their part in the common tasks and duties of the whole community." Cole's suggestion of increasing the community's money supply, "not in the form of increased loan credits to either producers or consumers, but of non-repayable presents of purchasing power to all the citizens", was simply an echo of what Douglas was the first to suggest. The most obvious way to start with such consumer credits is in the form of consumer discounts, these being in effect a form of social dividend as all would benefit from a reduction of prices. As Douglas showed, the **real** cost of production is consumption. Every improvement in production techniques means that the real cost of producing a unit of production is falling. A realistic financial system would reflect that reality by falling prices. Douglas demonstrated how this could be done scientifically.

In 1935 the Labor Premier of Tasmania, the Hon. A. G. Ogilvie received worldwide publicity when he attended a London Social Credit Dinner in honour of Major Douglas and publicly supported Social Credit. Speaking at the Dinner Premier Ogilvie said that he had met with Mussolini, Italy, Dr. Benes. Czechoslovakia, Dr. Schacht, German), Dr. Schuschnigg, Austria, and President de Valera, Eire, and that "none of them had a solution for the plight of the world today".

The following is an extract from the report of the London Social Credit Dinner, as reported in *The Age*, Melbourne, of May 23, 1937:

"Mr. Ogilvie said he was the first Empire Premier to attend a Social Credit function, and that he felt lost in the presence of a financial genius like Major Douglas. He realised that it was completely useless for Australians to waste time with Arbitration Courts, wage agreements, etc., because what mattered was monetary reform. 'I can speak on behalf of half the population of Australia', Mr. Ogilvie added. 'For many years Labor has desired to nationalise the banks. I am one who realises the futility of nationalisation . . . He hoped Australia would be the first country in the world to take over the control of the credit of the community.'"

Support for Social Credit was so strong in Tasmania in 1934 that Prime Minister Lyons, representing a Tasmanian electorate, felt it necessary make a promise before the Federal Elections of that year, that if re-elected his Government would establish a Royal Commission to examine the Australian financial system. This was a desperate attempt to placate the growing nationwide demand for credit reform to end the Great Depression. A strong advocate of the Royal Commission on Banking was the young Victorian Country Party candidate for Indi, Victoria. As a youth of 17 and student of Social Credit I was one of those who keenly supported this candidate, who made it clear that he believed in financial reform.

The candidate's name was John McEwen. With his rapid promotion to the Lyons Ministry, the man who was later to become leader of the Federal Country Party, and finished his political career as Sir John McEwen, lost his enthusiasm for the proposed Royal Commission on Banking! Sir John later gave his electors some shallow reasons for his change of front.

While the findings of the Lyons Government's Royal Commission (appointed in 1935, published in 1937, did not endorse basic Social Credit principles, the very fact that it took place was a measure of the support for Social Credit, not only in Tasmania, but throughout Australia, before the 1934 Federal Elections. And the Commission's Report did admit certain realities about credit control, which reflected the tremendous educational work of the Social Credit movement. Perhaps the most quoted clause of the Report was 504, which in the section headed "Creation of Credit", read:

". . . Because of this power, the Commonwealth Bank is able to increase the cash of the trading banks in the ways we have pointed out above.

"Because of this power, too, the Commonwealth Bank can increase the cash reserves of the trading banks; for example, it can buy securities and other property, it can lend to the Government or to others in a variety of ways, and it can even make money available to Governments and to others free of any charge . . ."

As this clause led to a great deal of controversy as to its exact meaning, Mr. Justice Napier, Chairman of the Commission, was asked to interpret it. His reply, received through the Secretary of the Commission, Mr. Harris, was as follows:

"This statement means that the Commonwealth Bank can make money available to Governments or to others on such terms as it chooses, even by way of a loan without interest, or even without requiring either interest or repayment of principal." This clearly meant that the Commonwealth Bank, as it then was, could make new financial credit available debt-free and interest-free.

The strong interest in Social Credit in Tasmania was further reflected with the election of Richard Darcy to the Senate, as a Member of the Australian Labor Party. The late Senator Darcy, who died in 1944, was a personal friend of mine and both at Canberra and elsewhere he was never afraid to put the Social Credit viewpoint. Also reflecting the Social Credit viewpoint was the Tasmanian Labor Government's Treasurer, Mr. Dwyer Gray, who tried unsuccessfully to persuade the Curtin Government to adopt a more realistic credit policy for financing the Second World War. So much for Dr. Clark's false and disgraceful statement that Social Credit secured a foothold in Australian politics through Queensland politician Frank Barnes. What reliance can be placed on the views an academic prepared to use these tactics in this endeavours to discredit Social Credit? Regrettably it fits into a pattern of smearing Social Credit, which has been promoted over many years.

IS DR. HENRY KISSINGER A SOVIET AGENT?

This question was raised by Mr. Eric Butler in his "Censored History". The following examines evidence provided by Mr. Frank Cappell, the well-known American authority on subversion and espionage:

This is no ordinary book.* Connotatively, it is not a book at all. It is a long intelligence memorandum from a professional investigator, submitted in effect to the people of the United States for their consideration in the matter of preserving their sovereignty and independence. If the allegations and conclusions of this memorandum are honestly and reasonably made and drawn, then Frank Cappell has rendered his country an immeasurable service. If they are not reasonably grounded and honestly presented, then he should be prosecuted for subversive sedition. Perhaps there can be two opinions as to what should be done about such a document as *Henry Kissinger: Soviet Agent*, but only a fool would brush it aside.

Reluctantly I realize that, in view of the silence with which the official and journalistic world have to date received Cappell's report, I have inferentially labelled both our *de jure* and our *de facto* leaders as fools. Frightened at my own temerity, I am more frightened by the possibility that I am right.

Frank Cappell has two kinds of evidence that Kissinger has been and is a Soviet agent: direct testimony based on official Soviet records, and circumstantial evidence hardly admitting of any other interpretation. The direct testimony concerns past records; it goes without saying, however—but let's say it anyhow—that once a Soviet agent, always a Soviet agent—always, that is, until death. Cause and effect are reversible at the end: a man's death may cause him to cease being a Soviet agent; or his ceasing to be a Soviet agent may cause his death. Henry Kissinger, as of this writing, is still very much alive.

The direct evidence reported by Cappell is that of the man known as Colonel Michael Goleniewski, reputed to be actually the Tsarevich and Grand Duke Aleksei Nicholaevich Romanoff, son of Tsar Nicholas II (or Czar Nicholas II, if you like—we haven't fully standardized these things in English). This heir to the Russian imperial throne was not, it appears, killed at Ekaterinburg (or as the Communists call it Sverdlovsk) in 1918 after all, but escaped and survived—under, of course, an assumed identity so long as he remained within Communist-controlled territory, which is to say all Iron Curtain countries, plus open areas in Paris, London, New York, Dallas, and other conurbations of the "Free World" (so called because Communism, which elsewhere is enforced, is here only permitted and encouraged).

The Tsarevich Aleksei, as is well known, was (is) a hemophiliac, and his mother Alexandra's fears for his safety were in significant measure the source of the monk

Rasputin's influence in the Imperial Court at St. Petersburg. Accepted history has it that all five children of Nicholas and Alexandra (four daughters and the one son) were killed with their parents in July, 1918, but reports have persisted of the survival of one daughter, Anastasia and of the son Aleksei. Cappell quotes (via the *New York Daily Mirror*) a statement by Herman E. Kimsey, former Chief of Research and Analysis of the Central Intelligence Agency, that after thorough investigation he was satisfied that "Colonel Goleniewski" was in fact the Tsarevich. (The fact that Kimsey is a top C.I.A. alumnus does not automatically invalidate his testimony.)

It is tempting to pursue this mystery of history further. Tempting, but not essential. What is essential is whether the middle-aged man (he is seventy) who is reportedly the son of Nicholas II, and whom various experts believe to be the Tsarevich, is in fact a former top agent of Communist intelligence in Poland, where he assumed the covering identity of "Colonel Goleniewski". There is clearly no doubt about it. From Poland he secretly furnished the United States information during the years 1948-1960. Then, threatened with exposure, he fled to the West in January 1961, arriving in the United States on January 12th of that year, accompanied by Homer E. Roman of the C.I.A.

Cappell explains that "Goleniewski" was "de-briefed" over a period of almost three years, and with other information gave "complete data on 240 persons (their names, identifications, assignments, locations and operations), who were intelligence agents of the industrial, scientific and technical bureau of the Polish Secret Service and were located in Western Europe and the United States."

One of the 240 was Henry Kissinger. He was said to be part of a "complex known by the code name of Odra," run from Communist Poland, but directly under control of a Soviet Intelligence general who was supervised from Moscow. At the time in question—1945 to 1947—Kissinger was first an enlisted man, then a non-com, then a civilian employee of the American Military Government in Germany.

Even in those salad days his Midas touch turned everything to promotion and pay. Considering that this charisma of Sergeant Kissinger's first sprouted during the luxurious warmth of Soviet-American friendship in the summer and fall of 1945, before the dread chill of the Cold War set in, nothing could better explain such early success than a discreet relationship with the Communist underground—perhaps especially one concerned with "industrial, scientific and technical matters," and centred strategically in Poland. For what it's worth, I quote a

*A book review from *American Opinion*, November, 1974, of *Henry Kissinger: Soviet Agent* by Frank A. Cappell, published by The Herald of Freedom, Zarepath, New Jersey 08890, U.S.A.; 120 pages (paperback), \$U.S.3.00.

paragraph from Oliver Pilat's book *The Atom Spies* (New York, Putnam, 1952):

Congressional efforts to identify the chief postwar Soviet atom spy in the U.S. culminated in the 1949 testimony of General Modelski, a Polish military attaché in Washington who had broken with his government, that this was the secret role of Ignace Zlotowski, who had entered the country as an alternate delegate to the U.N. Zlotowski skipped back to Poland before he could be questioned. His record revealed that he had received pre-war training in nuclear physics at (Nobel Prize-winning Communist Frederic) Joliot-Curie's laboratory in Paris. It is perhaps worth noting, in passing, that Bruno Pontecorvo, perhaps the most important atom spy of all (and perhaps not), was also a Joliot-Curie laboratory alumnus.

Henry Kissinger is not and never has been a nuclear scientist, or any other sort of physical scientist, but the crucial breakthrough in his rise to greatness was the publication in 1957 of his book *Nuclear Weapons and Foreign Policy*, sponsored by the Council on Foreign Relations.

Well, all that is a (not wholly irrelevant) digression. The essence of the direct testimony quoted by Capell is that "Goleniewski" said Kissinger was an intelligence agent of the postwar Soviet apparatus. What is Goleniewski's credibility in such matters? Capell reports, from Senate Internal Security Subcommittee Hearings published as *State Department Security*, that former F.B.I. and State Department Security officer John Norpel Jr. testified that of all information furnished the U.S. Government by "Goleniewski" none was ever found to be untrue or inaccurate. Information from Goleniewski led, among other things, to discovery of the major sex and spy scandals in the U.S. Embassy in Warsaw in the early 1960s. And his contribution has been formally recognized. Capell quotes from *House Resolution 5507*, Eighty-eighth Congress, First Session, concerning "Colonel Goleniewski":

. . . Has collaborated with the (U.S.) government in an outstanding manner and under circumstances, which have involved grave personal risk. He continues to make major contributions to the national security of the United States. His primary motivation in offering to work with the government has been and remains his desire to counter the menace of Soviet Communism.

Even if there were no other reason to suspect Kissinger's loyalty to the United States, such an allegation as the foregoing from a previously tested and reliable source that our incumbent Secretary of State was, in his youth as an American soldier and government employee, secretly part of a Soviet instrumentality of espionage should not go unremarked in the mass media and the two Houses of Congress. Nothing charged in the Watergate investigation is comparable in importance, as Capell correctly observes.

But in fact there is much else to provoke suspicion that Henry Kissinger is a Soviet agent. The circumstantial evi-

dence is more compelling than the direct testimony, significant as the latter may be. It is a popular fallacy to discount circumstantial evidence. One advantage it has over direct testimony is that circumstances don't commit deliberate perjury, though to be sure they are susceptible of mistaken if not perjurious interpretation. Fingerprints are circumstantial evidence; yet they are generally accounted superior in probative value to casual eyewitness identification.

"The whole foreign policy of the United States under Henry Kissinger has been Communist oriented," writes Frank Capell, and when you think about it the fact is as obvious as the presence of the purloined letter in full view on the mantel, while detectives probe for it in overstuffed furniture and ransack secret vaults in vain, as described in Edgar Allan Poe's memorable short story. However secretive and devious Kissinger may have been in his first air travel to Peking, preparatory to our rapprochement with the Chinese Reds, he has been open in declaring that what he seeks is a New World Order. In *American Foreign Policy*, a slender but ominous volume published in January, 1969, the month he and Richard Nixon moved into the White House, Kissinger wrote: "We must construct an international order before a crisis imposes it as a necessity."

Events have shown that Kissinger's method of constructing an international order is to merge the United States with the Soviet Union, the "Free World" with the Communist bloc. In view of the rigidity of Communist doctrine and Soviet practice, it is obvious that the only way of bringing about such a merger is for the "West" to yield to the "East" on every major point. We cannot say that the Kissinger-Nixon or the Kissinger-Ford or the Kissinger-Rockefeller Administration has yet yielded on

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every point to the Communists, but we can say that they have yielded on every point which has been resolved.

The *de facto* surrender in Vietnam, the pilgrimage to Peking, the signing of SALT I in Moscow, the relaxation of our hold on the Panama Canal, the fatuously destructive amnesty policy (fatuous because even the alleged beneficiaries don't like it, while loyal forces are demoralized), the shameful courtship of Castro, the double-dealing with Chileans, and most shockingly, the recognition of Communist "East" Germany—all testify to the Communist orientation of our foreign policy under Kissinger, as Capell observes.

Less clear-cut but ominous in the extreme are the indications of U.S.-U.S.S.R. collaboration in the Middle East, including the Cyprus affair, to the strategic advantage of the U.S.S.R.

And it is hardly coincidence that the Portuguese empire has been liquidated, and thus both the Iberian peninsula in Europe, and the whole of Southern Africa, suddenly exposed to a newly invigorated Communist threat.

Above all, there is the rush of American capital to the Soviet Union, through wheat deals, construction of truck plants, establishment of branch banks, and other projects which amount to giving security to a known thief, and with nothing to show for it but the thief's increased confidence—in himself. In this incredible economic union with the Soviets Kissinger is hardly the leader; but he goes along with his patron David Rockefeller, whose economic megalomania comports admirably with Kissinger's own dreams of world diplomacy.

Neither this review nor Frank Capell's book can fully summarize Henry Kissinger's career in engineering a New World Order which, given the premises Kissinger clearly accepts, can only be a Soviet world order. (World order is necessary, and Soviet pressure must not be too stubbornly resisted—those are the premises, and they are all that is required to guarantee ultimate Soviet success.) Capell, however, compresses a tremendous amount of relevant information into brief compass. An example of significant episodes reported is the following:

During a visit to Moscow (last spring). . . Kissinger cut himself off from the U.S. military and diplomatic personnel of the U.S. Embassy and was generally "incommunicado". Instead of using U.S. diplomatic or military communications systems for transmitting messages to the President, his messages to President Nixon were sent in code via Soviet radio to the Soviet Embassy in Washington where, after decoding, the messages were carried by Russian diplomatic personnel to the President and key members of Kissinger's staff.

How plain do you want it? Maybe you'd really rather not know. All I can say is that if you do prefer not to think that the Secretary of State of the United States is working to bring about a Soviet world, then don't read this latest book by Frank Capell.

Continued from Page 1

that he is as well off financially, or better, by reducing his staff from seven to three in order to turn out 25 bicycles per week. These sorts of situations will obtain right throughout the economy: anomalies all directly attributable to hyperinflation.

From the political point of view, in the short term it is better for the (so-called) non-Socialist Opposition at Canberra to stay out of office. If the Opposition under Mr. Malcolm Fraser were returned to office this year it would be returned just in time to be swamped by hyperinflation, and perhaps discredited and politically destroyed. This may be the cunning ruse of Dr. Cairns and/or his shadowy advisers; the possibility has not escaped us. Far better be it to allow Mr. Whitlam and Dr. Cairns to endure the inevitable social and political turmoil whilst holding office: at least this will afford Social Crediters some short time to push ahead with the Petersen Plan campaign, for example, which could in due course be seized upon by a desperate Opposition. Douglas, himself, said that Social Credit will eventually be born amid turmoil and desperation. This must and will happen somewhere, some place. It may be Australia.

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