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

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WHY BANKS ARE UNPOPULAR

This is the title of the major paper delivered to the 1976 Conference of the Per Jacobsson Foundation, held at Basle, Switzerland, last June. The Paper was delivered by Dr. Guido Carli, former Governor of the Bank of Italy. A commentary was offered by Dr. Milton Gilbert, a recently retired economic adviser with the Bank of International Settlements.

The Chairman of the Basle Government in his welcoming remarks said that the late Per Jacobsson was born in Sweden in 1894. He settled in Basle in 1931 and became the foremost economic adviser to the Bank of International Settlements, which, according to Paul Einzig, an editor of the London "Financial Review" in the twenties, was set up, in the main, through the energies and efforts of Montagu Norman, a former Governor of the Bank of England. Mr. Montagu Norman needs no introduction to Social Crediters.

The 1976 Per Jacobsson Conference Chairman was Marcus Wallenberg, a regular at Bilderberg Conferences, and Chairman of a Swedish banking combine. Dr. Guido Carli admitted that banking community has increasingly come to be regarded with hostility, and ventured the opinion that this stems from a "belief" that commercial banks have appropriated too large a share of monetary sovereignty. Whether he really believes this or not is debatable, for Dr. Gilbert, in his own commentary, stated that he didn't agree with it.

OBJECTIVES OF INTERNATIONAL MONETARY "REFORM"

Dr. Carli recalled the Objectives of International Monetary Reform. They are:

- to restrict the use of the dollar as a reserve, intervention, and settlement currency. (Readers will note that Sterling is not mentioned, and will recall that the abandonment of Sterling as a reserve currency was conditional on the bailing out of Britain by the International Monetary Fund in 1976, and this Paper was prepared by Dr. Carli **before** the intervention of the I.M.F. took place).
- gradually to eliminate gold from the international monetary system and replace it with a reserve instrument created by the authorities; and
- to establish a new code of conduct for a system in which fixed and flexible rates exist side by side.

After presenting a comprehensive review of international trade balances and borrowings over the past few years, Dr. Carli stated: "From the situation just depicted certain conclusions may be drawn. The most important, I think, is that there is at present **no international monetary**

system (our emphasis), that is, there is no official institution capable of supplying the international payments system with the liquidity required for the further expansion of trade. This function has been taken over by the private banking system, and primarily by the U.S. banks, through operations carried out by their branches at home and abroad. The private banks have shown a greater ability than the official institutions, not only to create the necessary liquidity for the development of trade, but also to organise its efficient distribution."

This, no doubt, is part of the reason for the current recession in the Western world; but only part of it, as the "necessary liquidity" is being created in billions of dollars for the financing of aid to the Soviet bloc, and Communist China. Dr. Carli does not mention this: perhaps he does not know. Again, perhaps, all this might indicate that the international financiers are losing their grip on the International Monetary Fund, but we cannot accept this assessment. He mentions: ". . . the I.M.F.'s ability to enforce observance of rules of conduct has diminished; it should be remembered that, as originally conceived, the Fund's prescriptive powers derived from its ability to exclude refractory countries from access to conditional credit. As almost all credit is now drawn from other than official sources, the Fund's ability to lay down conditions has been correspondingly reduced. And as the function of creating international liquidity has been transferred by official institutions to private ones, so the task of supervision has passed from international bodies to national ones, whose surveillance, though keener than in the past, has nonetheless never reached beyond the boundaries of national interests."

Even if Dr. Carli is correct in what he says, his so-called "national interests" are not "national" at all. For example, there are the Rockefeller banking institution loans to the Soviet Union, and Communist China. Are these in America's "national interest?" The most charitable comment we can make about Dr. Carli is that he is politically naive. He comments on what he sees as the waning enthusiasm of American banks for expansion abroad but doesn't mention the Rockefeller's expansion into the world Communist blocs. He stresses: "The unpopularity of bankers stems from the growing hiatus

between the size of the problems and the inadequacy of the institutions called upon to resolve them." He believes that: "The changes that have occurred in the structures of industrial countries have meant that discontent, previously spread over various sectors, has come to be focused on the banking system..."

An amusing sidelight is provided by Dr. Carli as he quotes Lewis Carroll: "During the nineteenth century, banks carried out their activities surrounded by an aura of great respect. Even then, however, irreverent voices were raised, such as that of the author of 'Alice in Wonderland', who portrays a banker's clerk thus:

'He thought he saw a banker's clerk,
Descending from the bus,
He looked again, and found it was,
A hippopotamus:
'If this should stay to dine,' he said,
There won't be much for us.'

Dr. Milton Gilbert, in his commentary, stated that he didn't necessarily agree that the banks are unpopular in all countries: only some. Said Dr. Gilbert: "... Whoever said that banks were supposed to be popular? What we demand from banks is not popularity, but safety. Because I live somewhat internationally (and such people as Dr. Gilbert think internationally . . . The New Times), I have accounts in banks in France, in the United States, and in Switzerland. I intend to show the list of these banks to Governor Carli. And if he tells me that any of them is popular with his circle of critics, the first thing I am going to do is to take my money out. But I am quite sure I will not have to do so."

It seems quite incredible to us that Dr. Gilbert appears not to fully comprehend the function of credit creation by banks, for he says: "You all know that banking is by nature a conservative industry, which it must be because it works with other people's money.... "All Social Crediters know that this is only partly the case; the bulk of the volume of credit, which appears in bank ledgers is, in fact, bank credit, created by themselves out of nothing. But we take his point about banking being a conservative business by nature.

THE S.D.R. STRIKES ROCKS

The International Monetary Fund has not had plain sailing with the Special Drawing Right (S.D.R.) its volume of money measurement, which has not been accepted with the same faith as the (U.S.) Dollar. He says: "The surplus countries (i.e. those with a trading "surplus") just did not rush forward to fill in their balance sheets with S.D.R.'s to the extent that they have done with dollars. And who can blame them when what stands behind the S.D.R. is just not equal to the financial strength and good faith of the United States, which stands behind the dollar?" And further: "I believe that the S.D.R., properly constituted, was a good idea and could

have become a useful monetary facility. But it was not properly constituted when it was trumpeted as a fiduciary reserve asset which did not need a corresponding reserve liability." (Readers may recall that Dr. Gilbert is referring to the Western economic crisis of a few years ago when it was temporarily overcome by the introduction of the International Monetary Fund Special Drawing Right, hailed in the Western Press as "paper gold." Dr. Gilbert is saying that the "paper gold" is just that — that there is nothing solid, tangible, economically sound, to back it up).

"Of course, sovereign states could do it (abuse the S.D.R.) - - without going to jail — but it was not the way to get confidence in the S.D.R."

The obvious answer of the internationalists is to abolish sovereign states. It is most interesting to have confirmation that the international financiers have run into trouble with their S.D.R. In 1970 the S.D.R. was buffeted by "market forces" which took over at a time of international payments difficulties. Dr. Gilbert added: "The second consideration which worked against the S.D.R. was the political pressure to turn it into a kind of gift certificate. That is one of those nicely printed pieces of paper you might get for your birthday which allows you to choose anything you want at the department store up to its declared amount of, say, 100 francs. Of course, the department store takes the precaution of collecting cash money in advance, while a country, which receives an S.D.R. for its exports collects what? A gift certificate A gift certificate is quite acceptable as a reserve to spend, but it just happens to have certain shortcomings as a reserve to hold."

He admits that: "the mistrust of the commercial banks derives from the feeling that they have appropriated too large a share of monetary sovereignty, and I agree (with Dr. Carli) in not subscribing to that interpretation. The fact is that the commercial banks **have no monetary sovereignty** (our emphasis) which is an attribute of the central bank and the government which stands behind it." Note the pleasure and pride of the central banker in depreciating mere "commercial bankers"; quite obviously an inferior breed.

Dr. Guido Carli was asked an interesting question, at question time. The submitted question was: "If governors of central banks were members of governments, what would happen?" Dr. Carli mentioned in reply that there were historical examples of this situation obtaining, but that in all cases in his memory, the countries in question were centrally planned economies and money creation and management was in line with the will of the political authorities. His personal belief is that in a democratic nation central bank governors should be as independent as possible from governments; no doubt that such governors can execute their responsibilities free from political interference. The international central bankers prefer the central bank tail to wag the government dog; which by and large they do!

THE FINANCIAL BASE OF ZIONISM

This article is taken from the September, 1976, issue of "Instauration," the monthly journal of men and affairs, edited by Wilmot Robertson, author of "The Dispossessed Majority." It is reprinted with kind permission of the publishers. "Instauration" is published from Cape Canaveral, Florida, U.S.A. The article follows:

World Zionism's main financial source is U.S. capital. Suffice it to say that two-thirds of the budget of the Jewish Agency, the leading international Zionist organisation is made up of receipts from the United States. This money is used chiefly to finance Tel Aviv's reactionary political course, pay for Zionist propaganda in different countries, and organise the emigration of Jews to Israel.

The basis of the Zionist organisational network in the United States is made up of the Jewish community's "philanthropic" societies. Set up to promote charity, cultural and educational activities among the Jewish population, they allocate the lion's share of their receipts to Zionist organisations.

Foremost among these "philanthropic" societies is the United Jewish Appeal, founded in 1939. It has branches in many cities and they are headed, like the Managing Board itself, by representatives of various Zionist organisations and the big bourgeoisie acting on behalf of the local Jewish charity foundations. The funds collected by the Appeal in the course of annual campaigns are passed on to two organisations operating outside the United States — the United Israel Appeal and the American Jewish Joint Distribution Committee. The United Israel Appeal, in its turn, allocates the funds it receives to the Jewish Agency. From 1948 to 1974 the latter thus received \$2.25 billion. Moreover, hundreds of millions of dollars were spent in Israel itself by the American Jewish Joint Distribution Committee. Collection and distribution of funds through the United Jewish Appeal allows it to retain its "philanthropic" status and, moreover, avoid paying taxes.

The United Jewish Appeal is particularly active when Tel Aviv steps up its expansionist policy. Its collections, for instance, increased several times over immediately after Israel's aggression against Arab countries in 1967, when in addition to a regular fund-raising campaign, it conducted an "extraordinary" one. Donations to the United Jewish Appeal increased still more after the October 1973 war. It then received \$828 million and in the following year \$897 million.

The United Jewish Appeal is not the only channel in the United States through which the Israeli extremists are financed. Collections for Israel are also made by the Women's Zionist Organisation of America (Hadassah), the Jewish National Fund, the National Committee for Labour Israel and a number of other organisations. The total sum collected by various "philanthropic" societies from 1948 to 1974 is in the vicinity of \$5 billion.

An important part in financially assisting the Zionists is played, besides these so-called charity societies, by the State of Israel Bond Organisation, which was set up in 1951. Suffice it to say that 85 percent of all these bonds

have been floated in the United States, bringing Tel Aviv more than \$2 billion.

Besides the money given to international Zionist organisations and the Israeli Government, considerable sums are spent on political activities in support of the Zionists in the United States itself. In 1963 the Senate Foreign Relations Committee under the chairmanship of William Fulbright established that millions of dollars collected for charity purposes by the United Jewish Appeal were used, through the Jewish Agency's channels, for political lobbyism and propaganda. One of the organisations directing this activity is the America-Israel Public Affairs Committee, a lobby group in the US Congress. Its budget, according to Time magazine, far exceeds the funds at the disposal of other lobby groups. In 1974, for instance, it was \$400,000, not counting the \$200,000 expended on the publication of the Near East Report, a propaganda sheet circulated free of charge among 30,000 American politicians, including all Congressmen.

The Committee's budget is merely the visible part of the iceberg. In its activity, this organisation co-operates with dozens of other American Zionist and pro-Zionist associations and groups whose leaders and militants are members of the Committee (membership: 12,000). It is these organisations that account for the bulk of the expenses on Zionist campaigns. The financially "best off" pro-Zionist organisations are B'nai B'rith (budget: \$13 million), the American Jewish Committee (\$9 million), the Anti-Defamation League (\$7.4 million) and the American Jewish Congress (\$2.2 million).

Who, then, finances the Zionist and pro-Zionist foundations and organisations? The apologists of Zionism allege that they are voluntarily aided by the entire Jewish population of the United States. Actually, this is far from true. Although in the atmosphere of nationalistic psychosis whipped up by the Zionists and the blackmail of those who disagree with them, many American citizens of Jewish birth find themselves involved in the "philanthropic" campaigns, the leading role in which is played by the pro-Zionist capitalists of Jewish origin. According to The Washington Post, most of the donations to the Zionist foundations come in lump sums of more than \$10,000. And the Israeli newspaper Ha'aretz writes that only 150,000 of the 800,000 Jewish families in New York made donations in 1970, and that more than half of the \$62 million received came from 864 families, which made it \$40,000 per family on the average. At the fund-raising dinner held in February 1972 by the New York branch of the United Jewish Appeal, the 400 persons invited donated \$21 million (this sum included seven donations of \$1 million and more).

The facts thus indisputably prove that in the United States international Zionism is propped up chiefly by representatives of the big bourgeoisie and the monopoly circles that seek to expand their sphere of domination and whip up world tensions. It is not by chance that the forces patronising Israel vigorously opposed the adoption by the UN General Assembly of the Declaration on Zionism. However, the 30th General Assembly condemned Zionism by the overwhelming majority and stated that it was a form of racism and racial discrimination.

Did the above article appear in some anti-Semitic hate sheet? Not likely, as some of our more astute readers may have guessed, having been tipped off by a few code words. The article appeared in the January 1976 issue of the English language edition of International Affairs, 14 Gorokhovsky Pereulok, Moscow.

POVERTY AMIDST PLENTY

The following paragraphs have been taken from a new booklet issued by the Institute of Economic Democracy a Division of The Australian League of Rights.

"Poverty Amidst Plenty" is a lecture, which was delivered in Stockholm, Sweden, by the Earl of Tankerville in May 1934. Older Social Crediters will recall that C. H. Douglas delivered an address — "Money and the Price System" — before the King of Norway, in Oslo, in 1935.

In his introduction to "Poverty Amidst Plenty," Mr. L. D. Byrne points out that many members of the British aristocracy, during the depression years, showed an understanding of the defects of a fallacious financial system. The Duke of Bedford, the father of the present Duke, was another such. The extract from the booklet follows:

When you go into a shop and see a price label on something you want to buy, you know that that price is made up of several factors, and that that price must be *at least* as much as the cost of manufacturing the article and of bringing it to the shop in which you find it.

Now, during the process of manufacturing an article, the only part of its cost, which is distributed amongst the community, is that part which consists of wages, salaries, and dividends—or profits if there *are* any! But there is another part of the cost, which is *not* distributed to the community, and that part consists of bank loans and interest thereon. For the manufacturer will most probably have borrowed money from his bank to finance his factory, and consequently, in order to repay that loan plus the interest on it, he must charge a proportion of it into the price of the article he produces. You will see, therefore, that the community cannot buy all that it has produced, for the simple reason that the necessary money has not been put into its hands. And so there arises an unsaleable surplus, which the nation has produced, but which, for the reason I have just given you, its individual members cannot buy.

This, I submit, is the main fundamental flaw in our monetary system.

In support of this opinion, let me quote to you no less

POVERTY AMIDST PLENTY

A lecture delivered in Stockholm, Sweden, in May 1934 by the Earl of Tankerville.

This lecture, with an introduction by L. D. Byrne, who says: "At the time the worldwide economic depression was at its acutest. Yet, today, 43 years later (1977), its message is just as relevant."

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an authority than the Association of the British Chambers of Commerce. This is the Resolution they passed:

"This Association views with grave concern a defect of fundamental importance in the monetary system, whereby the purchasing power of the community is rendered increasingly insufficient to buy the whole product of industry, the effect being reflected in the present disastrous world situation, and accordingly requests the Executive Council to take the necessary steps to set up a Social Committee, composed of representatives of the Association and of other important commercial and industrial organizations, to consider how this defect can be remedied, and to report."

This Resolution was passed on the 19th April 1934 by an overwhelming majority of, I am told, over 280 votes out of 300.

Since any industrial country cannot help thus accumulating an unsaleable surplus, *because* of this flaw in the money-system, it therefore becomes necessary for each industrial country to export this surplus if its industries are to avoid bankruptcy. Furthermore, it must be careful to export, not only *as* much, but *more* than it imports.

The Southampton Chamber of Commerce, in its 1933 Report, puts it this way:

"If in point of fact industrial countries accumulate unsaleable surpluses of goods, it would appear imperative that they should always export more than they import—that is invest the surplus abroad. Otherwise the surplus will collect in the country, production will slacken off, purchasing power will fall as a result, and all the factors of a trade depression will become operative."

This, as you can see is exactly what is happening now; and the way this unsaleable surplus is usually got rid of, is that the exporting country makes a loan to the foreign country, and the foreign country then uses this credit to buy the exporting country's surplus. In this way, no money leaves the exporting country, but only goods.

From what I read in the papers, this, for instance, is precisely what Sweden has recently been trying to do in the loan she is proposing to make to Russia. Sweden, like England and all the other industrial countries, is trying, in effect, to *give* away her *real* wealth in exchange for paper bonds, in exchange for promises to pay which must become increasingly difficult of fulfilment.

From "The Social Crediter" (March-April, 1977)

CARTER PREPARES TO TIGHTEN THE NOOSE

This article, by James Crossbow, appeared in the British "On Target" (issue of January 29th, 1977). It provides further confirmation that the power of Finance is being wielded to drive the West into a political era of virtual slavery.

The Evening Standard' (19th January, 1977) carried an article by Jeremy Campbell, a particularly well informed liberal commentator. He reported on a "carefully conceived plan to reshape the whole world economic system", and said:

"The men who dream of ushering in this new planetary era are strategically planted at the highest levels of Carter's administration . . ."

He quoted the view of Richard Cooper, Carter's Undersecretary for Economic Affairs:

"The International Monetary Fund is the beginning of representative government at the global level . . . in the future Cooper can see the IMF expanding to become a kind of central bank for the world, able to create money, not just borrow it . . ."

Here, of course is the real key to Carter's Grand Design. Once the IMF can create money by universal consent and not just, as now to the extent that other nations can be arm-twisted into permitting it the way will be clear for "the Looting of the West" (see 'On Target' for 3rd and 17th July, 1976). This is the Grand Design to reduce Western living standards to Asiatic levels, so as to facilitate One World. The IMF can simply "create" the necessary money and distribute it to the Third World and Communist countries. Equipped with this money the Third World and Communists can then help themselves to the world's food and raw materials — at our expense.

The article quoted at length is from one Jeremiah Novak, who appears to be the left-wing critic of the big U.S. corporations, Novak remarked that "In the last seven weeks you have seen Britain totally lose her sovereignty and surrender her management of economic policy to the IMF . . . there is no national economy left in Western Europe. They are all export led. Not one is self-sufficient. The tendency will be to accelerate, even to push, Britain and the other Common Market countries into closer union . . . the recent funding of the British sterling balances was done through the Bank of International Settlements a Swiss German outfit, which is capable of becoming a central bank for Europe and bringing Britain even more to heel."

As regards Britain this confirms every criticism of the international financial racket that the Right has made for many years. Novak has correctly observed that "export or die" is nonsense that an economy, which is export led and not self-sufficient, is not a national economy, and that nations which borrow from the IMF or the Bank of International Settlements can be "brought to heel." So far from the recent funding of the sterling balances being the blessing claimed by the press,

we have simply placed a chain around our necks.

We may rest assured that not only will our descendants be crippled for generations to pay usurious interest rates on these borrowings, but that every vestige of independence will be squeezed out of us as the price of these loans.

Keeping nations from stepping 'out of line'.

What happens if we step out of line, if the British people revolt against unacceptable burdens? Fred Bergsten of the Brookings Institution, another of the Big Money "think-tanks" and Carter's adviser on international economics at the Treasury has the answer.

Seeing France as the most likely rebel he:

" . . . recommends sanctions against skittish countries like France, which, either from "honest miscalculation" or deliberate efforts to grab a free ride, do not recognise that the actions of more and more nations, big and small, have an important 'impact on the world economy as a whole."

Jeremy Campbell remarked on the number of Trilateral Commission (One World promoting body set up by David Rockefeller) members of the Carter administration and makes clear how the Commission's papers envisage the submission of Britain and all other nations to One World Finance. He says:

"A first step is to . . . expand the power of the World Bank and the IMF **to make it less a follower and more a leader of the larger nations** (underlining mine — James Crossbow) . . . Regional groupings are only precursors of new and wider arrangements. The world is entering on its third post war wave of institution building, following the creation of the U.N. and the Bretton Woods Agreement after 1945 and the emergence of the Common Market, the regional development banks and OPEC fifteen years later."

This bears out everything said for years. The first stage in the long-range plan was to gain control of international foreign relations and financial relations — the creation of the United Nations and the creation of the World Bank and International Monetary Fund at Bretton Woods. The second stage was to start grouping the nations by regions, the Common Market and OPEC. The third stage is to be the Trilateral Commission's declared target, the economic union of the Common Market, Japan and the United States. The final and undisclosed stage is the Final Merger.

New world body to control national economies

The Commission's papers give some idea of the slavery and poverty which is to mark the next and final stages:

"That means a whole new set of rules to control over-

seas investment and a permanent high level committee of the IMF to maintain exchange rates. A brand new body would be set up to ensure that economic policies of individual countries conform to the world master plan (underlining mine — James Crossbow). Income must somehow be shared out more fairly among all nations (i.e. the 'Looting of the West' — James Crossbow).

In Bergsten's words "The Economic officials of at least the largest countries must begin to think in terms of managing a single world economy."

We can have no illusions as to what has happened and what is in store for us. The days of "stooge" Presidents and Cabinets manipulated behind the scenes by the conspirators have gone. The conspirators themselves are in the seats of power.

The chains are about to be firmly locked about us. However, all is not lost. In my view the burdens and demands to be placed upon us will be so great that even the long-suffering British people will find them too much.

When this happens, a change in the political scene can occur overnight — look at Ulster. A few years ago the Unionist Party was dominated by the men of compromise and surrender who were Ulster's Establishment. One day the loyal people of Ulster woke up and drove their entire political establishment, including three former Prime Ministers, (O'Neill, Chichester-Clark and Faulkner) out of public life.

The same can happen here. Let us make sure that it does.

INTERNATIONAL FINANCE

by C. H. Douglas

"The Necessity for a National rather than an International Financial System." (An Address to Bournemouth Rotary Club, June 20th, 1932).

Perhaps the simplest approach to grasp, of a subject, which at the present time transcends in immediate importance that of any other, is obtained by observing that finance at the present time is subject to international, rather than national control. This control, so far as Great Britain is concerned, may not be absolute as was the case a year ago, when we were still operating our finances on what was erroneously called the "Gold Standard," which was, in fact, merely an international system with somewhat nebulous gold backing. But the international element in our finance is still very strong, and our Central Bank, the Bank of England, is unquestionably swayed by many considerations, which are not related to the specific interests of the people of this country. It is by no means certain, for instance, that the so-called departure from gold is anything but devaluation of a gold exchange standard.

As a result of the international nature of finance, we find that in varying degree the present economic crisis is a world crisis, and because finance is in a position to control mass publicity (and, in fact, control of finance and control of publicity may almost be said to be interdependent) we notice a general suggestion in the inspired Press that the international character of the economic crisis is inevitable, that the world is now one economic unit, and no nation can be restored to economic health except by means of a worldwide character.

Now, whether it is because of the natural intellectual laziness of human nature, or as a result of the collective hypnotism, which is imposed upon us by our Press and broadcasting agencies, it does not even seem to occur to people to question the manifest absurdity of such a statement. Yet the most cursory investigation is sufficient to disclose that fact, that, at any rate, at present, the world crisis is a money crisis and not a goods crisis — that we are starving in the midst of plenty. I may say at this point that should the sabotage and the break-up of pro-

ductive organization continue at the pace at which it is now proceeding, I can easily conceive it as being possible that the money crisis may merge into something very much more real in the form of a famine of goods and services. At the moment, however, there is not any failure of the productive system, but a failure in the link between production and consumption; in other words the money system. There can be no other possible cause of what is called the "economic paradox," by which the world is starving, and in a state of economic crisis amidst a plentiful supply of real wealth of all descriptions. And however far from technical perfection may be the production system, and however far from moral perfection may be either labour or the consumer, it is beyond possible discussion that the control of the situation at the present time is vested in those who control this link which connects the producer and the consumer.

At the annual meeting of the Bank of England in 1930, one of the principal shareholders, Mr. Hargreaves, remarked: "They held the hegemony of the world." Mr. Montagu Norman, the Governor of the Bank, commented on this to the effect that he believed it to be largely true, and that it was the result of the work which the Bank had devoted, first of all to the stabilisation of Europe, and secondly to the relationships between the central banks. So that, I think, we are in a position to say that, on its own showing, international finance has been, and for that matter is, in control of the situation, and if this is so, the present situation is the direct result of this control, and international finance is responsible for it.

What is that situation? Germany, probably the finest technically equipped nation in the world, is in a state of starvation and distress, which may at any moment resolve itself into revolution. Austria, the special object of the attention of international finance, is ruined and despairing. The United States of America, which offer

in themselves an example of a continent operating under a single unified currency, complete freedom of trade, almost unlimited natural resources, and a highly-trained industrial and farming population, is faced with a situation which, if it is not relieved in the coming winter, will unquestionably break out into armed civil war, in spite of the fact that the late Secretary to the Treasury, now Ambassador to Great Britain, announced a few weeks ago that deflation was proceeding smoothly and without rioting. The curve of suicides and the curve of bankruptcies compete with each other in their rise to ever-fresh record heights and mutterings of a coming world war can be plainly heard by those who are trained to hear them. Side by side with this situation is an increasing volume of organised propaganda for the abolition of national sovereignty, the international and general detestation of war (not merely as a moral crime, but as a manifestation of world insanity), being capitalised to the surrender, of individual, local, and national initiative into the hands of international authorities who, as I have endeavoured to suggest to you have demonstrated their signal unwillingness to deal with the situation. The argument that war is a result of the existence of nations, and would be abolished by the abolition of national sovereignty, is just about as sensible as to say that quarrels between individuals are the result of the existence of individuals, and would be abolished by the abolition of individuals.

Now, since there is no question of the existence of a very considerable measure of internationally controlled finance, and we daily have evidence of systematic propaganda for its extension in the face of the conspicuous lack of success which attends its efforts to the extent that they are directed to the advantage of the individual, it may perhaps be worth a few moments attention to consider what are the probable motives behind such a policy. In the first place, we can, of course, put out of our minds any material advantage to its protagonists, who are for the most part in potential possession of all the material wealth that the world can afford. The first objective is, I think, unquestionably that which has always been operating in a certain type of mentality through historic times — the desire for power. As at present constituted, finance is the pre-eminent agent of a policy, and financial control of the world would mean control of policy of the world; in other words, a world dictatorship.

But I do not think that this fairly obvious explanation either goes quite deep enough, nor does it in fact provide us with a sufficiently broad basis for criticism. When we accuse the world's great financiers of being merely conscienceless buccaneers, there is a sense in which we do them less than justice, and at the same time fail to recognise the deadly danger, which they embody. The great financier is in most cases a great idealist, and sooner or later constructs a Utopia, which it is his constant endeavour to impose upon the world. Now the point I wish to make to you, and which I feel sure will at first have a

tendency to shock you, is that society is never in more deadly danger than when it is committed to the mercies of the idealist, and particularly the Utopianist. The fact is that there is no single Utopia which would give satisfaction to more than a very small percentage of us, and that what we really demand of existence is not that we shall be put in somebody else's Utopia, but that we shall be put in a position to construct a Utopia of our own. And this idea of a centrally controlled world in which everyone lived under uniform conditions, elaborated on the basis of statistics, either of the census or otherwise, is at the back of the drive, which is being made to induce us to believe that the world can be considered as a single unit.

Cultures, climate, tradition, race, and habit, all give the lie to this idea, and as the human personality develops, it becomes more individualised and specialised in its outlook, and less and less amenable to one universalised set of conditions. It is, therefore, I think, permissible to say, even if we assume an extraordinarily high level of administrative integrity detached from all possibility of sectional influence, that a world finance, which means in essence control of world policy, is wholly unsound in principle and based upon what can only be called in the most moderate terms, a complete misconception both of human nature and successful organisation. There is not, however, to be brutally frank, any sound ground of experience for assuming that such detachment is reasonably possible. To anyone with knowledge of the League of Nations at Geneva, or the Bank of International Settlements at Basle, it is beyond reasonable question that those institutions from their very inception have been the focus of intrigue and wire pulling, apart from their conspicuous failure to achieve the results for which they were ostensibly created.

It is not my intention to touch at any great length upon the purely technical side of the problem, but there is one aspect of it which is easily grasped and which is of first-class importance, and that is the one which was expounded with great ability by Professor J. W. Scott, whose views, which I endorse, may be given in his own words: "If the country's money is peculiar to itself, and sells abroad purely as a commodity, the British manufacturer can henceforth have no rivals in the home markets except his own countrymen, even when the country's ports are free." The reason for this is, of course, that the British manufacturer will only accept payment in British currency, and the purchase of foreign currency by British currency does not mean that so much trade has permanently gone abroad, but, on the contrary, means that the money which went to buy the foreign currency must eventually return in return for British goods, as it is only at that point that it is available for purchasing power.

To any unbiased observer of the condition of the world at the present time it must be obvious that the populations of the world are becoming increasingly dis-

satisfied with the outcome of the policy of delegated responsibility. We have delegated our personal quarrels to the law, and the law has become so encumbered and expensive that the wise man is prepared to accept almost any injustice rather than invoke it. We have delegated our agriculture to the forces of international speculation, and our agriculture is ruined, and we are liable to starvation in six weeks time if a blockage is established. It seems to me that the delegation of finance, which has already been wrested from the control of the individual, to a de facto international government, or to some international organisation which would be completely outside the control of every individual whose interests were at its mercy, would be equal to setting up a nightmare tyranny beside which the dream of world dominion attributed to Napoleon, and the last Emperor of Germany, would be attractive.

QUIET BLOODBATH IN SOUTH-EAST ASIA

By Smith Hempstone

Back in those bad old days when Nguyen Van Thieu was running South Vietnam, Lon Nol was in charge in Cambodia and Souvanna Phouma was the boss of Laos, not a single sparrow fell without arousing the horror and anger of a goodly claque of liberal American politicians, folksingers and pundits.

Not a Buddhist monk could immolate himself, not a truncheon could fall without drawing a pack of journalists eager to make the repressive nature of these pro-Western regimes known to the world.

And that was, of course, as it should be: the press has a duty to report injustice. But things are going on now in South Vietnam, Cambodia and Laos that would make a statue weep. And we hear nary a peep about them.

The North Vietnamese, who are a little smarter than those who believed that Ho Chi Minh was just a grandfatherly nationalist who wanted to reunite his country, waited until May of this year to launch the bloodbath that liberals told us was just a figment of the conservative imagination.

All Western journalists, missionaries and diplomats were expelled from South Vietnam in that month. And the absence of witnesses made it ever so much more convenient for Ho's boys to get about their bloody work.

According to a recently published account by the deputy chief of Saigon's Communist administration, "more than 200,000" South Vietnamese have been sent to *hoc tap* "re-education" camps. Other estimates of the populations of these concentration camps run considerably higher.

It is not known how many people have died or been summarily murdered by kangaroo courts as the ultimate

BASIC FUND MOVES SLOWLY TOWARDS GOAL

The Basic Fund now stands at approximately \$36,000. Readers will be aware that our goal is \$45,000 by the end of the financial year. If the current rate of donations/pledges coming in maintains momentum, then we just might make it. It isn't certain.

The Australian League of Rights will now be massing a concerted brochure campaign against the Federal Government's Referendum proposals, and this will naturally place an added drain on our resources. We are beginning the campaign earlier than we originally intended, because the latest poll finds that there is poor understanding of the proposals themselves, and also that the proposals will be carried. The poll admits that public opinion is volatile, and could alter rapidly.

Will those who have not yet made their pledge/donation please do so at once so that the League will be able to get this anti-Referendum campaign rolling IMMEDIATELY.

All Northern N.S.W. and Queensland contributions to Mr. Jeremy Lee, P.O. Kingstown, N.S.W., 2350. All others to Australian League of Rights, G.P.O. Box 1052-J, Melbourne, Vic., 3001.

act of their "re-education." But escapees report that prisoners are kept on a near-starvation diet, and that many thousands have died of malnutrition, malaria, beriberi and dysentery.

Nor are these prisoners only army and police officers who fought against the Communists, although all of these—and civilian bureaucrats of the Thieu regime— have been hauled in. Also imprisoned are such potential subversives as journalists, poets, religious leaders of all persuasions and, ironically, former third-force leaders who once were persecuted by Thieu for advocating a negotiated settlement with the Communists.

Well over a million ordinary citizens who have not been confined to concentration camps have been forcibly removed from the cities and sent to clear the jungle in the so-called "new economic zones," a Gulag Archipelago in the interior without roads, medical facilities or wells.

So harsh are conditions in South Vietnam that more than 100,000 South Vietnamese have risked their lives to flee, sailing in small boats to Thailand (where they are not wanted) or escaping overland to that country through Cambodia. Many thousands—some say more than 50,000—have drowned, died of thirst or been shot in the attempt

In Laos, a sleepy land with a population of only three million, an estimated 50,000 rightists and neutralists have been confined to similar camps. Perhaps another 200,000, including most of the country's few doctors, agronomists, lawyers and small businessmen, have fled across the Mekong River into Thailand.

But it is in Cambodia that Communist repression has reached truly charnel-house dimensions. Almost all the top and middle-grade officials associated with the Lon Nol regime are believed dead. That was, perhaps, to be expected.