

THE NEW TIMES

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

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ANOTHER 1929 IS NOT INEVITABLE

By Eric D. Butler

There has been a growing spate of predictions that another major depression, worse than that which started in 1929, is inevitable. Some of the predictions are made by investment advisers who offer various forms of investment as protection. The favourite suggestion is to invest either in gold, or gold stocks. There is no evidence to suggest that in another major depression, gold prices would not fall along with all other commodity prices.

It is true that feverish speculation on stock exchanges bears some resemblance to what happened, particularly in the U.S.A., prior to 1929. But the suggestion that this type of activity caused the Great Depression of 1929 is completely false; as is the carefully fostered view that if some of the major international banks collapse, this could result in the collapse of the whole international financial system. That system can be used for whatever purposes its controllers desire; even though planned developments can sometimes go badly astray.

Typical of the theme of inevitable global depression is a best-selling book bearing the rather gloomy title, *The Great Depression of 1990*. Author Dr. Ravi, an economist and now a sympathiser of the Ananda Marga sect, has a chilling message: we are heading for "the worst Depression in history." Those who would protect themselves should sell everything, the house, all shares. The only safe investment is gold. Dr. Ravi's lack of any understanding of real economics may be judged by his recommendation that every American family worth more than \$2 million should accept a wealth tax averaging 5 percent of net worth to help pay off the American budget deficit.

1929 NO ACCIDENT

The 1929 collapse was the result of deliberate financial policy, not because of accidental events. Anyone with even the most elementary understanding of banking knows that all trading banks are bankrupt in the sense that they create credit far in excess of what is termed "legal tender". Early in the First World War the banks were forced to close their doors when large numbers of people sought to exchange their Bank of England notes for gold. Far more notes than gold had been created. The British government had to step in and produce another type of bank note. This was readily accepted because people believed what they were told. The reality is that money is basically a question of faith; money is anything, which people accept because they are convinced that they can obtain required production and services with it. The forged bank note is just as efficient as the authentic note so long as it is accepted as genuine.

Part of Australian mythology is that the N.S.W. Premier, Mr. J.T. Lang, was responsible for the closing during the Great Depression of the N.S.W. Savings Bank. The truth is that the bank had to close because there was an inspired campaign to create a "run" on the bank. But the campaign against the N.S.W. Savings Bank resulted in the beginning of a "run" on all banks. The position became so critical that the then Chairman of the Commonwealth Bank Board, Robert Gibson, was

forced to make a national radio broadcast in which he said that there was no need for people to worry, that if people insisted on drawing their money out of the banks in the form of notes — "legal tender" — the Commonwealth would use its power over the note issue to have adequate notes created. This power was never used to help Lang.

DISINFORMATION

Those predicting an imminent global recession produce what appears to be convincing evidence in the form of charts, which show that depressions have taken place almost regularly over a long period of history. Thus the rather complex theories about Trade Cycles. The truth is that all major depressions have been the result of financial policy. But by fostering the suggestion that there are Trade Cycles, rather like some natural phenomena, creates the impression that periodic depressions are inevitable.

Even the distinguished Australian Roman

OUR POLICY

To promote loyalty to the Christian concept of God, and to a society in which every individual enjoys inalienable rights, derived from God, not from the state.

To defend the Free Society and its institutions - private property, consumer control of production through genuine competitive enterprise, and limited decentralised government.

To promote financial policies, which will reduce taxation, eliminate debt, and make possible material security for all with greater leisure time for cultural activities.

To oppose all forms of monopoly, whether described as public or private

To encourage electors always to record a responsible vote in all elections

To support all policies genuinely concerned with conserving and protecting natural resources, including the soil, and an environment reflecting Natural (God's) Laws, against policies of rape and waste

To oppose all policies eroding national sovereignty, and to promote a closer relationship between the peoples of the Crown Commonwealth and those of the United States of America, who share a common heritage.

Catholic commentator, Mr. B.A. Santamaria, whose philosophical and social views are welcomed by supporters of traditional Christian and Western values, contributes to the disinformation concerning the cause of depressions. In a recent commentary, Mr. Santamaria states:

"It is now fairly common currency that the present speculative boom will end in an equally spectacular 'bust'. It is a matter not of whether but of when. "In 1931 the collapse of the Credit Anstalt, Austria's leading bank sent Britain — and other European countries -- off the gold standard; led to Widespread debt repudiation and precipitated the U.S. bank collapse of 1931-32, which led in turn to massive unemployment.

A study of post-First World War history shows that the deflationary policies imposed, following the massive credit expansion associated with the financing of the War, were imposed with differing degrees of intensity in the USA and Britain. Semi-depression conditions were maintained in Britain up until 1929, one result being the 1926 general strike, while a much more liberal policy was being followed in the United States. Australians were saved from a major depression following the First World War, when Sir Denison Miller, Governor of the Commonwealth Bank, instituted an expansionary credit policy to offset the deflationary policy threatened by the private banks. Miller had been responsible for using the Commonwealth Bank, which had been established just prior to the First World War, with a mere \$20,000, for providing hundreds of millions of new credits to finance a number of activities at less than 1 percent interest.

Generally forgotten is one of the most interesting examples of monetary policy and depressions, which took place in Austria following the First World War. While the rest of Europe suffered under the grim conditions of the period, Austria was experiencing almost boom conditions. Not only was a credit expansion policy being adopted, but part of the new credit was reaching the Austrian people in the form of consumer subsidies, not unlike those used so successfully in all English speaking countries during the Second World War. How the Austrian experiment was brought to an end is a story in itself.

"A CAREFULLY CONTRIVED OCCURRENCE"

Speaking in the U.S.A. Congress on December 15, 1931, Mr. Louis T. McFadden, ex-President of the Pennsylvania Bakers' Association, and for twelve years Chairman of the U.S.A. House of Representatives' Banking and Currency Committee, was very blunt concerning the cause of the Great Depression: "It was not accidental. It was a carefully contrived occurrence - the International Bankers sought to bring about a condition of despair so that they could emerge as rulers of us all." Events following the start of the Great Depression have seen a progressive increase in the centralisation of the banking system, starting with the creation of a chain of Reserve Banks, the Bank of International Settlements, the forerunner to the World Bank and the International Monetary Fund.

A much more accurate picture of what happened in the U.S.A. is provided by C.H. Douglas, the man who went right to the core of the finance-economic problem. Writing in *The Brief for the Prosecution*, Douglas said: "Under more normal conditions, industry in the United States is preponderantly financed by bank loans or overdrafts. In consequence the manufacturer and farmer are under the complete control of the banker, who can, and often does liquidate them almost without notice. The system constitutes the most comprehensive control of policy of which it is possible to conceive,

MESSAGES FOR NEW TIMES DINNER

The great majority of our readers obviously cannot be at "The New Times" Dinner on October For one thing, it would be impossible to seat them all!

But those not attending physically can do so in spirit by sending an appropriate short message. All messages will be republished in the special Dinner issue of "The New Times".

Messages should be addressed to: The Chairman, New Times Dinner, Box 1052J, G.P.O., Melbourne.

The Dinner is being held at the Y.W.C.A., Elizabeth Street, Melbourne_

extending to the ability to penalise opinion by economic ruin.

"During the decade of abnormal industrial activity (in the U.S.A.) much of which consisted in the manufacture of goods for the reconstruction of Russia and Germany, the American manufacturer accumulated large sums, and bank balances, which, towards the latter quarter of the period, he found it difficult to employ in industry. As a result, he not only made less use of bank money, but actually entered into competition with financial circles for the provision of funds to borrowers not only in the U.S.A. but abroad. Not only were the profits of money lending threatened, but the industrial subservience to the book-keeper was endangered to an extent which called for immediate action. It was taken. Notwithstanding the immense prosperity of American industry even towards the end of the boom, much of the day to day money was as usual provided by current accounts normally fluctuating from large overdrafts for wages, etc. to small credits as these overdrafts were repaid. These were all 'call money', i.e., were subject to the fiat of the banker. The industrialists were not organised to lend 'call money' and their funds were placed on fixed terms of three months, or more. "At the end of October, 1929, the New York banks, without notice, called in practically every overdraft, and advanced the rate for 'call money' from a normal 3 per cent to 30 per cent or more. The effect was instantaneous. Borrowers, for the most part in possession of large blocks of securities both American and European . . . threw them on the market in order to obtain cash, either to meet calls or wage accounts. But there were no buyers for cash, since there was no cash. The banks had it all, although the country at large had the securities representing much of the funded wealth of the prosperous years.

For more than twelve months, American business staggered down the slope. Any slight improvement in the stock market (there was none in commodity markets) was greeted by an avalanche of selling orders. Where salaried workers were retained, they were presented with ultimatums requiring immediate acceptance of drastic salary reductions. Living standards, and consequent consumers' buying, fell even faster than wage and salary reductions, as a consequence of widespread lack of confidence in the future — misgivings, which were more than justified. . . ."

A POLICY OF MONOPOLY

The end result of this development was a rapidly deepening depression of even greater intensity than in the United Kingdom, where there was some cushioning of the depression by the introduction of the policy miscalled the "dole". President Hoover sent a

message to Eugene Meyer, Chairman of the Reserve Bank, drawing his attention to the disastrous effects of the Board's policy. Meyer merely acknowledged receipt of the message but took no action. He was appointed Chairman of the Reconstruction Finance Corporation set up by President Roosevelt following his election to office in 1932 at the height of the depression. Hundreds of banks closed their doors because they were at the mercy of the Federal Reserve Board.

Immediately Roosevelt was elected, he endorsed action to have selected banks reopened, these being provided by credits by the Reserve Board on terms which removed any possibility of revolt. Credit was now being made available under the New Deal, lauded by leading Fabian Socialists like Professor Harold Laski of the London School of Economics. Shortly afterwards, Montagu Norman of the Bank of England also started to loosen the credit mechanism in Britain. Depression conditions improved slightly. The overall result in both the U.S.A. and Britain was an extension of the policy of monopoly in all fields. But there was a violent reaction, which, throughout much of the English-speaking world, found expression through the Social Credit movement. Only the Second World War, openly welcomed by Wall Street-based international bankers, prevented the Social Credit movement from eventually forcing changes in financial policy.

During the four decades since the end of the Second World War, a major depression has been averted by a policy of continuous economic expansion financed by debt. The lessons of 1929 have been observed by the debt merchants and there appears to be little doubt that they wish to avoid a repeat of 1929, realising that this could quickly produce a major revolt against the credit monopolists. What is being witnessed everywhere is a type of slow squeeze, conditioning people to accept the "inevitability" of the "restructuring" of industries and societies as a preliminary to fitting them into the New International Economic Order. Consider the destruction of the traditional family farm, and family businesses, over recent decades. The strategy of the

"CHURCHILL'S WAR"

by David Irving

We regret that many of our readers missed out in obtaining this historical blockbuster at the discounted price. Sales have been massive but supplies are still available - but at the normal price set by the publishers: Hardback edition with dustcover, \$57.50 posted. Strictly limited Deluxe edition of 1000 only, in brown imitation leather, with embossed gold lettering, and enclosed in a presentation slip case, each book numbered and personally autographed, \$153.00 posted.

Order from Box 1052J, G.P.O., Melbourne, and all State League bookshops.

debt merchants and their various lackeys, appears to be one of boiling the frog alive by trying to ensure that the temperature of the water is not raised too quickly, resulting in an attempted jump to safety.

"WORSE THAN 1929"

The current situation is worse than the Great Depression years, when traditional values were at least the norm. There was not the social disintegration of today. The greatest threat today is not another major depression, which could soon result in dramatic developments, but the continuing social breakdown as the individual is threatened by the many forms of collectivisation. There was a famous Fabian-inspired statement that only in war, or under the threat of war, would the British people submit to large-scale planning. It would appear that the spate of predictions about another 1929 are designed to condition people to believe that this threat can only be averted, or minimised, by people surrendering more of their sovereignties.

Was Hess Murdered?

Not all commentators accept the official explanation that Rudolph Hess committed suicide in Spandau Prison. For different reasons, his captors found Hess's longevity an acute embarrassment. It is difficult to believe that Hess could have died in the manner stated by his captors. Hess was allegedly watched day and night by his captors, his every movement supervised. He was 93 years of age, nearly blind and extremely feeble. But having found an electrical cord, he then is supposed to have strangled himself in a manner, which the strongest of men find almost impossible. As soon as unconsciousness is reached with the use of a rope or cord, the hold on the garrote must relax, allowing the blood to flow again and breathing to take place.

Whatever the truth about his death, there is no doubt that his dramatic flight to Britain in 1941 was backed by Hitler in an attempt to present a programme for restoring peace. As documented by David Irving in *Churchill's War*, Hitler's peace proposals, which guaranteed the preservation of the British Empire in exchange for a free hand for a German attack on the Soviet Union, were acceptable to half the British Cabinet. Even Churchill originally agreed that the proposals had to be seriously considered.

Churchill and his Zionist backers, along with the Labor Members of the British Cabinet, were afraid that if the British public learned what Hess had really come about, there would be a demand for a cessation of hostilities. The first essential therefore was to discredit Hess.

In a letter to *The Times*, London, of August 20, Mr. James Leasor, who has made a deep study of the Hess affair, says that Lord Beaverbrook had told him how he had told a

worried Churchill after Hess had arrived, that the best way to discredit Hess was to place him under psychiatrists, which was done. The Soviet does not have a monopoly of this technique for destroying people. Hess was then proclaimed to be virtually mad. Ironically, Hess left a note with Hitler saying that if his mission proved a failure, then "Simply say I was crazy."

According to Leasor, who says that the censors dealt harshly with his book on the Hess affair, *The Uninvited Envoy*, (1961), Lord Beaverbrook, using a cover name, interviewed Hess. Leasor writes, "No one else was present in the interviewing room, but a concealed microphone enabled their conversation to be recorded to a stenographer in another part of the house. Hess made it clear that Germany was willing to negotiate peace with Britain providing that Britain would join Germany in attacking (Germany's ally) Soviet Russia.... Hess prophesied that 'a Bolshevik victory' would 'sooner or later mean Russian occupation of Germany and the rest of Europe'".

Those guarding Hess had been screened for any pro-Nazi sympathisers, but not for any possible Communist sympathies. Within hours an unauthorised copy of the Hess-Beaverbrook discussion was being made and then sent to Stalin. Stalin had every reason to be concerned about the Hess peace mission to Britain. Soviet representatives at Nuremburg pressed for the death sentence for Hess. The Allies compromised by agreeing to a life sentence in prison. But as the years went on, Hess became an increasing problem.

One thing is certain; the last has not been heard of the Hess affair. The truth is already starting to come out. David Irving is playing a major role in revealing that truth.

MIDDLE EAST MEMORY HOLE

Falsification of history at the N.Y. TIMES

The following article by Noam Chomsky, the Jewish radical, Professor of Linguistics at Massachusetts Institute of Technology, appeared in the August issue of the new American publication "Focus" (P.O. Box 1449, Temecula, California, 92390. \$US 30 per annum) edited by Michael Hoffman.

On March 27, *New York Times* correspondent Thomas Friedman quoted Israeli Foreign Minister Shimon Peres as saying that "the question of PLO participation (in negotiations) depends very much on the PLO. As long as it is remaining a shooting organization and refuses to negotiate, how can one bring them into negotiations?" Peres deplored the lack of a "peace movement among the Arab people," such as "we have among the Jewish people." His contentions are standard fare in the U.S.

A similar thesis was expressed by Friedman in the *Times* last Dec 10, in a report from Jerusalem on the travail of the Israeli Peace movement. "Peace now," he wrote, has "never been more distressed" because of "the absence of any Arab negotiating partner." The timing of these thoughts is intriguing. A few days earlier, headlines in the Israeli press read: "The PLO was ready for direct dealings with Israel." The reports detailed PLO initiatives to establish "direct negotiations" with Israel, which were rejected by Shimon Peres, prime minister at the time of the initiative. Peres's press adviser explained, "There is a principled objection to arrange contact with the PLO, which flows from the assessment that the PLO cannot be a partner in negotiations."

Gen. Rafael Eitan was in favor of pursuing the matter, but the Labor doves refused, as they always have, on the grounds that the indigenous population can never be "partners in any way in a land that has been holy to our people for thousands of years" (President Chaim Herzog, in 1972.)

In December 1975 Labor Prime Minister Yitzhaj Rabin had rejected another offer by the PLO and the Arab states for a political settlement in accord with the international consensus. (This one had to be vetoed by the U.S. at the UN Security Council). Rabin explained that Israel would not enter into any negotiations with any Palestinians on any political issue, and would not negotiate with the PLO even if it renounced terrorism and recognized Israel.

The reason is simple: the PLO represents Palestinians in the Occupied Territories and elsewhere, as they have made clear in every way, including Israeli-run polls. Therefore the movement must be excluded from negotiations, since neither political bloc in Israel will contemplate a political settlement that accords the indigenous population the right of national self-determination. This is "super rejectionism" which denies the Palestinians even the right to select their own representatives in negotiations.

Israel has been backed in this super-rejectionism by the U.S. since 1971, when Israel rejected a peace offer by President Sadat of Egypt — an offer that ignored Palestinian rights and that corresponded closely to the official, but not operative, U.S. stand. Since the mid-1970s, U.S.-Israeli rejectionists have repeatedly blocked opportunities to reach a peace settlement that would draw international support. Such a settlement would have to include a Palestinian state in the West Bank and Gaza Strip and be based on the principle that "it is essential to insure the security and sovereignty of all states of the region including those of Israel," in the words of Leonid Brezhnev in 1981. Brezhnev's speech was reported in the *Times* with those passages omitted.

This Soviet proposal, which again conformed to the international consensus barred by the U.S., was unanimously endorsed by the PLO shortly after, also with no report here since the facts provide an intolerable insight into the plain reality: the U.S. and Israel head the rejectionist camp.

Israel's leading journal, *Ha'aretz*, expanded on the latest rejected PLO initiative in its Dec. 19, 1986, issue. It quoted Labor dove Yossi Beilin, government secretary under Peres and now director of the political office of the foreign ministry: the PLO offer "was immediately rejected, because it appeared to be a trick, an attempt to initiate direct negotiations when we are not ready to negotiate with any PLO elements."

The current director of the prime minister's office added that "there is complete co-operation and general understanding" with regard to the PLO in the Israeli political system. The PLO cannot enter into discussions or be a negotiating partner in any respect.... No one affiliated with the PLO may represent the Palestinian position." The precondition for a settlement, he said, is to uproot the PLO from this region: politically, psychologically, socially, economically, and ideologically. No shred of influence may remain."

To insure that the PLO "will finally disintegrate and ultimately disappear," the government spokesman continued, it is necessary that "no journalist should ask questions about the PLO and its influence. It is improper for the PLO to be a topic for discussion in the Israeli press. There must be a consensus on this - not a debate - that the PLO may not be a factor with which Israel may have any contact."

Complete Censorship

The *Time's* Jerusalem correspondent is following this policy, as indicated by his Dec. 10 column. The *Times* editors also understand the significance of this deception; they would not permit a brief letter to appear stating the facts denied in their news columns, and continue to report the preferred lies with tacit endorsement, as in the cynical comments by Shimon Peres quoted earlier. Much the same is true elsewhere.

The story is a familiar one. In early 1984, in interviews prominently reported in Europe, PLO chairman Yasir Arafat proposed negotiations with Israel leading to mutual recognition. The offer was immediately rejected, never mentioned in the *New York Times* which refused letters mentioning the forbidden facts) and barely noted in the other major media. When the *Times* reviewed "Two Decades of Seeking Peace in the Middle East" (Friedman, March 17, 1985), major PLO and other Arab initiatives, including those just mentioned, were excluded. It is necessary to maintain the official doctrine that the PLO is "a shooting organisation and refuses to negotiate," and that there is no counterpart in the Arab world to the Israeli's longing for peace.

One device to achieve these ends is the use of the term "rejectionist" in a strictly racist sense, referring to elements in the Arab world that refuse to come to terms with Israel but not to those who deny a comparable right of national self-determination to the indigenous population. The super-rejectionism of the U.S. and Israel, including the Labor doves, is entirely suppressed.

Another technique has been to define the "peace process" so as to include the U.S. proposals but not those that fall within the international consensus, which the U.S. rejects. This yields the useful consequence that the U.S. is peace-loving by definition, while anyone who does not follow U.S. orders is opposed to peace, and therefore must be the object of contempt, hatred and violence.

The success attained in reconstructing history would be admired by any dictator. But even Orwell would be taken aback when Friedman writes (Feb. 1, 1987) about the double standard in reporting on the Middle East, meaning the unfair treatment of *Israel*; about "the great fortune" of the PLO because "their conflict is with Israeli Jews, whose role in Western civilisation willingness" of the U.S. "to leave the problem of the Middle East without a solution." The rendition in media newspeak of the U.S. commitment to block a political settlement.

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Israel; about "the great fortune" of the PLO because "their conflict is with Israeli Jews, whose role in Western civilisation loomed, and continues to loom, so large." and about the "unwillingness" of the U.S. "to leave the problem of the Middle East without a solution." The rendition in media newspeak of the U.S. commitment to block a political settlement.

The PLO has as much legitimacy as the Zionist Organisation had in 1947. One who argued then that it must be excluded from discussions would have been regarded as an outright Nazi; the logic is similar today. The willingness of the PLO to accept a political settlement in the terms of the international consensus is one reason for U.S.-supported Israeli violence, including the 1982 invasion of Lebanon. Such violence, it is hoped, will deter the PLO from these evil ways and induce it to react by retail terrorism of its own.

Desire Violent PLO

Israel's leading specialist on the Palestinians, Yehoshua Porath, explained in the early days of the Lebanon war that the PLO's scrupulous observance of the ceasefire was perceived as a "veritable catastrophe." What Israel wants, he continued, is a PLO that will "carry out bombings throughout the world, hijack airplanes and murder many Israelis," thus losing "the political legitimacy that it has gained" - outside of the U.S., where the ideological managers can be misted to create a more appropriate history.

Israeli terrorism is also largely suppressed, or not regarded as terrorism", since the U.S. supports it. Few are interested when Uri Lubrani, who is in charge of Israeli terrorism in Southern Lebanon, says that the population there is held hostage under the threat that Israel will return to the "scorched earth" policies of earlier years if they do not accept its arrangements for the region. That, he explains, is "the reason we have a manageable situation".

Nor is it worthy of mention when an Israeli military court sentences passengers and Lebanese crewmen who survived the sinking of a merchant ship by the Israeli navy 100 miles from shore with 20 killed (February 1987). The routine Israeli practice of piracy and hijacking is condoned, along with Israeli-run torture chambers in Southern Lebanon, the brutal "Iron Fist" operations, the closing down of newspapers in Jerusalem and other harsh censorship measures and the repression and discrimination generally. The U.S. role in supporting Israeli terrorism and repression is also effaced in a notable triumph of "brain-washing under freedom".

The reason for U.S. rejection of a political settlement is clear enough. The U.S. does not want an Israeli Luxembourg, integrated into the region, but rather an Israeli Sparta: a highly militarized mercenary state lacking an independent economy. Washington wants a pariah state dependent on the U.S. for survival and hence dependable, serving as a "strategic asset" in the region and providing services elsewhere, for example, support for near-genocide in Guatemala when the U.S. executive is inhibited by Congress from full-scale participation. For these ends, continued military confrontation is preferable to the kind of political settlement that has long been feasible.

The consequences for the region are devastating. It is also likely that U.S. rejectionism will set the stage for further wars that will, once again, bring the superpowers to confrontation, with the potential for a final nuclear catastrophe. There is no more urgent issue on the political agenda. It is a tragedy that even the bare facts cannot be discussed in our highly indoctrinated society.

The Zundel Affair

Ernst Zundel, the German-born publisher of Toronto, Canada, is to face a re-trial, starting on January 4. In pressing for this new trial, Zionists are once again demonstrating that they are their own worst enemies. Zundel obtained enormous free publicity during his first trial in 1985, when the charge was that he had been spreading false news in the form of a brochure, *Did Six Million Die?*

Zundel was found guilty at the 1985 trial, and sentenced to fifteen months in prison. The Canadian Jewish community was divided by the trial. Defended by Mr. Doug Christie of Victoria, British Columbia, Zundel successfully appealed to the Ontario Court of Appeal. The Supreme Court of Canada refused to hear an appeal of that decision. The government of Ontario would have been wise at this stage to have forgotten the whole affair, this recommended by a number of Jews who said that another trial could be disastrous, the more far sighted realising that Zundel would once again be provided with a public forum from which the Holocaust story could once again be critically examined, and publicised.

But clearly the more fanatical Zionists were determined to press on with their persecution of Zundel. Zundel says that the new trial could continue for six months, as he will be allowed this time to introduce into evidence many things not permitted at the first trial. The Appeal Court ruled that the Judge at the first trial should not have prevented his evidence from being introduced.

Zundel predicts new Zionist "dirty tricks" during the new trial, with a demand that the Zionists themselves be granted "Intervener Status" by the court. If this demand is granted, the Zionists can directly participate in the trial, without incurring too much financial expense. The Canadian taxpayers will be underwriting the trial, as they did the previous trial.

Zionist strategy has been to have the Crown do the actual prosecuting of Zundel, instead of some Jewish individual or organisation. The initial "false news" charge against Zundel was laid by a Sabina Citron on behalf of the "Canadian Holocaust Remembrance Association". By having the Crown prosecute Zundel, the Zionists avoided the enormous legal expenses, which would be involved. Zundel, of course, aided by his friends, had to pay his own expenses.

There is little doubt that the second Zundel trial will be historic in the sense that the Zionists feel that they must win. But unlike the show trial taking place in Israel, the Canadian judicial system has already demonstrated that it provides the individual with a reasonable chance of obtaining justice.

Already there appear to be indications that the media may attempt a "black-out" on the new trial. But as against that, the trial is so newsworthy that it is difficult to see how there can be complete suppression. How the media treats the second Zundel Trial could indicate just what control the Zionists have over the Canadian media.

Zundel has a natural flair for creating and using publicity, even though some find his style a little brash. Irrespective of the outcome of this trial, in the long term the Zionists must be the losers: slowly but surely there is a change, with increasing numbers starting to question Zionist propaganda.

Christianity and Science

From the July-August issue of *"Home"* (U.K.)

Progress in Religion, for which the Templeton Prize is given annually, is no easy objective to define. It seeks to call attention to a variety of persons who have found new ways to increase man's love of God or man's understanding of God. There is no limitation of race, creed, sex or geographical background.

In the past its recipients have ranged from Mother Theresa, in 1973, succoring the destitute in Calcutta, to the Rev. Dr. James McCord, in 1986, Founder and Head of the Centre of Theological Enquiry at Princeton University and President of the World Alliance of Reformed Churches, by way of many people eminent in the study and practice of religion over much of the world. The Rev. Billy Graham is among them, and Dr. Sarvepalli Radhakrishnan, former President of India and Oxford Professor of Eastern Religions and Ethics, and Aleksandr Solzhenitsyn, and our own Dame Cicely Saunders, originator of the Modern Hospice Movement for care of the dying. The Prize is a benefit indeed for the movements all these people represent: it is the world's largest annual prize and this year amounted to

nearly a quarter of a million pounds.

Professor Stanley L. Jaki, who receives the prize in 1987, is a Hungarian-born Benedictine monk and a historian of science as well as a theologian. It is awarded for "offering a new interpretation of the history of science and culture, and not least the relation of science and faith". He will give the prize money to a trust in aid of Hungarian Benedictine monks in exile.

Professor Jaki was presented with the prize by Prince Philip at a private ceremony in Windsor Castle. Later there was a public ceremony in the Guildhall in London at which he addressed a packed audience — HOME was there, among the press.

A long and distinguished study of physics has led Jaki to the conclusion that the assumption made by most scientists that science is in its nature an agnostic or even atheistic activity — to which God is irrelevant, science itself being the sole judge of the true and the false — that this assumption is false. The pre-condition necessary for such a flowering of science as has occurred in Europe since the 16th century is faith, and particularly the belief that God created a coherent and sensible world, and Man who was capable of understanding its laws, with a mind interested in exploring its structure. In fact, science could only have arisen by means of the intellectual honesty required by Christianity, with its strict discipline of intellect playing upon deep and primarily accepted belief in Christian tenets. He supports this thesis in detail, drawing upon a lifetime's learning. In his books he cites the ancient civilisations of Egypt, Assyria, China, for instance, where sciences began, but in the end withered because the faith of the men concerned was in a cosmology that did not accord with a universe open to reasoned examination. Science, he says, the quantitative method, cannot become truly operative without a non-quantitative factor, a firm, uncompromising and devout faith in the Creator of all.

Nowadays many of the scientists engaged with the great sweep of new theories and controversies about the universe, adding together the myriad observations and data from the several sciences are profoundly prejudiced against religion. Most contemporary science, Jaki says, is as much about anti-clericalism as it is about discovery. Yet without the religious assumptions implicit in earlier exploration of the nature of the world, without a renewal from the roots, our science too will wither and decline. The first signs are already with us in the institution of a machine technology that governs people and their purposes, rather than the other way round.

In his speech of acceptance of the Prize at the Guildhall, Professor Jaki said:

"Long before the 1960s progress became increasingly identified with science, looked upon in many quarters as incompatible with religion. Yet, it is not for science, which today has all the know-how to eliminate hunger, that the greatest need is felt in these very scientific times. Demand for Mother Theresa, the first recipient of this Prize, for her religious, and for other heroic volunteers of true love is greater than ever.

"Hunger for true love - heroic, self-sacrificing love - remains mankind's basic hunger.

"Bertram Russell, fully familiar with the enormous power of modern science, medicine, and technology, held high Christian love as the answer to man's needs in the broadest sense: 'If you have Christian love', he said, 'you have motive for existence, a guide for action, a reason for courage, an imperative necessity for intellectual honesty.'

"If intellectual honesty, usually taken for a fruit of scientific method, is to be had only through Christian love, science and religion should not seem far removed from one another. In fact science is as closely related to religion, and especially to Christian religion, as a child is to the womb of which it came forth and with full vitality."

In a far-ranging speech Professor Jaki went on -

"If progress is something like a voyage, its continuation does not cease to be a function of its very starting point and of the provisions acquired there. If religion is to be an on-going progress, its very starting point should be re-thought continually. The starting point is the recognition of dependence on the Creator on the part of everything, which is in the universe, and of which we human beings are the very spokesmen.

"The only viable birth of science is in terms of the Christian belief in creation and Incarnation; the continual falling back of creative men of science on that same matrix as it implies a specific view of the cosmos or rather the cosmological argument; the reinstatement by the best science of the reality of the universe in all its intellectual dignity; and, finally, awareness of the difference between science and a mythology equated with it - all these four points should give enough confidence in the possibility of progress in mutual understanding. But the progress will come about only if mankind, increasingly bent on science is no less willing to bow to God."

E.S.D.

Behind the Iran-Iraq conflict

Generally overlooked in any consideration of the global implications of the Iran-Iraq conflict is that the on-going conflict is providing one outlet for the massive surplus productive capacity of modern nations. The armament industry everywhere has been kept busy. One estimate says that already more tanks have been destroyed in the conflict than the Western Allies lost during the Second World War. Planes are shot down every day.

U.S. intelligence analysts have estimated that in the first seven months of this year Iran has spent \$A1.8 billion on arms from China, North Korea and the Warsaw bloc nations, Portugal, Spain and Argentina. Iraq and the United States signed a five-year trade agreement in Washington on August 27 to remove trade barriers to their \$A2.32 million a year trade. The U.S. Export-Import Bank has recently renewed its coverage for U.S. companies selling to Iraq, reportedly under U.S. State Department pressure. Both the U.S.A. and the Soviet appear to be determined to sustain Iraq, whose total external debt could now be as high as \$A69 billion.

Would-be British exporters to Iraq can obtain export-credits from Britain's Export Guarantee Department. In his 1984, George Orwell projected a world of three major groupings of nations, with their economies sustained by on-going conflicts short of major world war. This is basically the reality of the world today. The ultimate Big Idea is the establishment of the World State, accepted by the demoralised peoples of the world. But, contrary to the expectations of the plotters and planners, large numbers refuse to become demoralised.

Peru and the debt problem

Peru is not a nation, which is generally prominent in the news. Large numbers of people would find it difficult to say exactly where it is, at best saying that "it is somewhere in South America". But Peru, a Pacific nation like Australia, is of much greater political and economic significance than appears to be the case. And there are strange reports coming out of Peru about some of the provinces dabbling in the creation of debt-free money.

Like all Latin American nations, Peru has a massive foreign debt. It is interesting to know that the Soviet Union is one of its major creditors. Moscow, like Wall Street, will therefore be taking a keen interest in the radical financial policy being attempted by the populist President Alan Garcia. Garcia appears to have the right instincts, but without the essential know-how to stage what is, in effect, a revolt against the international debt merchants.

Peru provides a classical example of revolutionary forces exploiting conditions imposed by financial orthodoxy. Garcia inherited a nation sliding fast towards complete disintegration. People still recall the military rule. And there is the revolutionary Sendero movement which has its roots in Marxism, but has emerged as a type of Maoist splinter group, led by an eccentric professor of philosophy, Abimael Guzman, who operates from a base in the Andes, preaching a gospel of world revolution to the

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Peruvian Indians. During the last decade, large numbers of soldiers, policemen and civilians have been killed by the Sendero revolutionaries. The capital, Lima, has been in a state of partial siege, even the Presidential palace coming under attack.

Garcia knows that if he cannot reverse economic developments in Peru, the Sendero will be the main beneficiaries. President Garcia has made it clear that he does not intend to impose the type of austerity programme being demanded by the international debt merchants. One of Garcia's first acts upon being elected two years ago was to impose a debt service ceiling of 10 percent on export earnings. There were even indications that he might consider defaulting. A series of steps were taken to stimulate the economy, this resulting in a leap in the growth rate from 2.5 per cent in 1985 to 9 percent last year. There has been a type of mini-boom.

But unfortunately for the Garcia economic programme, this has, under orthodox financial rules, produced inevitable in-

flationary results, with a futile attempt at price control. Unable, or unwilling, to turn to the international Debt Merchants, Garcia has now decided to nationalise the private financial sector, the banks and the insurance companies. But from the point of view of his international creditors, Garcia has dealt them another blow with his policy of now stating that his 10 percent limit on debt payments will be made with goods instead of cash.

The Peruvian tragedy demonstrates once again what C.H. Douglas warned about: Every attempt to defeat the debt merchants is doomed to failure unless there is a clear understanding of the nature of the problem and the strategy required to deal with it. As in other Latin American countries, if Peru disintegrates the winner will be some form of Marxist revolution. This does not seem to worry the Debt Merchants.

We have made arrangements for relevant material on finance-economics to be sent to President Garcia, and hopefully others will do likewise.

To the Point

It is now over half a century since Lord Hewart, a former Lord Chief Justice of England, wrote his warning book, *"The New Despotism"*. Lord Hewart made the serious charge that there was a plan to deprive the individual of his common law rights, denied full access to the courts, with the unelected and irresponsible official having increasing power over the individual. Consider today the power of the tax officials in all Western countries, with more power than the Police. In Australia, Section 263 of the Income Tax Assessment Act allows taxation officials "full and free access" to any premises or documents they may wish to inspect. They can, if necessary, gain entry to a building by force. Not even the police have these powers. Police must obtain search warrants.

When Mrs. Corazon Aquino became President of the Philippines, we pointed out that one of the main problems she had inherited was a massive foreign debt and an economy, which oppressed Urge numbers of people to the point where Communism appeared attractive. Unable to come to grips with her basic financial problems, President Aquino is attempting to preside over a nation which is disintegrating. The most recent attempted coup by a section of the armed forces has been put down, but at considerable cost. The army itself has been left badly divided, with morale low. Vital military centres, like the army communications centre, were destroyed. Increasing activity by the Communist-backed "People's Army" can be expected.

If Mrs. Aquino is to stay in office, she must have a loyal and cohesive army. Lack of adequate pay is one of the causes of low army morale. Training is also bad. Initially Mrs. Aquino was tempted by the new strategy of the international debt merchants, the offer of the writing-off of debt in exchange for ownership of sections of the Phillipines' economy. She has apparently now backed away from this policy but, as yet, indicates little realism concerning financial policy. Failing some worthwhile reforms, she is eventually doomed.

* * * *

Mr. Akio Morita, Chairman of the well-known Japanese organisation, Sony, provides the interesting information that the well-publicised controversy concerning trade between Japan and the U.S.A. obscures the fact that while Japanese firms, like his own, are investing in the U.S.A., American firms are investing in Japanese firms. Sony has a factory in San Diego producing television sets, some of which are exported to Japan. Morita says he helped General Motors to acquire a one-third interest in Isuzu because he felt that would help to sell GM cars in Japan. It would be interesting to know how many resources, including oil, are used to transport production from the U.S.A. to Japan while the same type of production is being sent from Japan to the U.S.A. This madness, taking place on a world scale, stems from the type of black magic economics, which teaches that nations can only sustain their domestic economies by exporting surplus production.

* * * *

Former Fabian Socialist Australian Prime Minister Whitlam still smarts because the Australian Constitutional system allowed the Australian people to vote him out of office at a time when his policies were producing an enormous electoral backlash.

Delivering the 1987 University of Melbourne Law Students' Society address, Mr. Whitlam said "The basic institutions of representative government have been in increasing disarray for the past 40 years. ..." The essence of Mr. Whitlam's complaint is that "There are more frequent elections for the Australian national parliament than for any legislature in the world. When a government is elected, no one knows how long it will continue." Which means that Australian electors have more opportunities for changing their politicians than any other people. The Swiss people have the constitutional right to force elections in the form of referenda; any time they dislike a piece of legislation.

Mr. Whitlam observed that since 1949 the American people, with fixed terms for their National Congress, had had 19 elections, while over the same period of time Australia had held 22 Federal elections. Are the Americans any better served by their governments because they have fewer elections than Australians? A true totalitarian, Mr. Whitlam favours "strong governments". This, of course, means weak people.

* * * *

It is not surprising to learn from a recently published book, that the former chairman of the U.S. Federal Reserve Board, Mr. Paul Volcker, was a skinflint in his private life. Volcker was the man who brought the inflation rate down from 13.3 per cent to less than 4 per cent, with a classical credit restriction policy, this having devastating effects upon the American economy. A product of his own background and training, Volcker no doubt felt that he was "doing good" to the American people. Another famous banker, Sir Montagu Norman, expressed the view during the Great Depression that poverty was good for people.

* * * *

The key role of Israel in the sale of U.S. arms to Iran, has not been revealed. This delicate subject was by-passed by the American Congressional hearings. The *Jerusalem Post* of May 9 carried a story by Wolf Blitzer, Jerusalem correspondent, stating that U.S. investigators had charged that Israeli Prime Minister Shamir was not living up to his promise that Israel would cooperate in the investigation of the Iran arms affair. "The investigators have rejected the latest Israeli demand that the U.S. grant immunity from criminal prosecution to all Israeli citizens implicated in the Iranian financial transactions as a pre-condition for the sharing of Israel-collected data.... U.S. officials said Israel

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was especially interested in trying to protect Amiram Nir, adviser to the Prime Minister on counter-terrorism; Ya'acov Nimrodi, an arms dealer. The four were the key Israel contacts in the ill-fated U.S. arms deal with Iran. Their actions have been said to have been authorised by then-Prime Minister Shimon Peres and his cabinet."

No further comment is necessary.

* * * *

Irrespective of whether governments are run by the military, or by civilians, the end results are basically the same under debt finance. It is only two years since euphoria swept Brazil with the return of civilian government. But today there is widespread despair as the economic situation worsens. The 1964-1985 military regimes, which initially took power at a time of a threatened Marxist take over, ruled by decree. It promoted a massive development programme, building roads, airports, installed a first-class telephone system, modernised the post office and vastly increased industrial production. But this was all achieved by an enormous increase in the nation's foreign debt, of an estimated \$140 billion, which the civilian government inherited when it came to office.

Brazil has great natural resources, but the Brazilian people are being forced to accept a lower standard of living in conformity with the strategy of the International Debt Merchants.

* * * *

Indian leaders have always distinguished themselves with a most irritating form of moral humbug concerning the problems of South Africa. And at the same time they preside over a synthetic nation in which the caste system continues, minorities are oppressed and there is the constant threat of civil war; Since the Ghandi government dismissed the Punjab State government last May, Sikh terrorists have murdered more than 500 people. The demand for a separate State grows ever louder. Some observers fear that terrorism could be pushing the Punjab towards complete break down and chaos. So much for the virtues of multiculturalism.

While it is true that sanctions against South Africa have not brought South Africa to its knees, sanctions must be seen merely as one aspect of a much more sophisticated strategy which seeks to persuade South Africans virtually to commit suicide. Sanctions only affect about 8 per cent of South Africa's exports. Gold, diamonds, platinum and vanadium remain untouched. These minerals are all controlled by the Oppenheimer Anglo-American Empire. Oppenheimer and his associates are opposed to traditional South African policies and supporters of the One World in which they feel confident they will be even more powerful than they are today.

PROFESSOR WALKER'S BOOK AVAILABLE

Professor Walker's book on the Swiss constitutional system, and how it could be applied in Australia, also answering objections, is available from all League bookshops or from League addresses.

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"Prophecy and Politics"

by Grace Halsell

There is only one thing wrong about this explosive work: the price; particularly for Australian and New Zealand readers. If this book could be widely circulated among Christians, they would be forced to face the question of how Biblical prophecy has been exploited by the anti-Christian Zionists.

A top professional writer of Christian background, Grace Halsell exposes with first-hand information how at least 50 million sincere American Christians have been misled by television evangelists like Jerry Falwell, who act as agents for Israel in the United States.

One of the most revealing aspects of this book is the author's first-hand experience on two of Jerry Falwell's conducted tours of Israel. American Christians were not permitted to make contact with fellow Christians living in Israel. The plight of the Palestinians is ignored.

As many Christians as possible should have this most timely work.

Price: \$32.50 posted.

Debt Leads to Control

In *The New American* of 11th May, 1987, John F. McManus reports on the outcome of a meeting of the Trilateral Commission in San Francisco on 21st to 23rd March on the subject of Third World debt. The Trilateral Commission was launched by David Rockefeller in 1973 for the purpose of linking North America, Western Europe and Japan in their economic, political and defence relations with each other, and similarly with their relations with the developing and communist countries.

A top U.S. government adviser is quoted as saying that "all the debt-laden Third World countries will have to have extended credit". Noting approvingly that Mexico would be given \$7.7 billion in new loans, he continued "a similar agreement will be reached with Argentina within six weeks".

John F. McManus concludes: "We can think of nothing good to say about pouring more money into these bottomless pits. Doing so has never accomplished anything but postponing inevitable default and making the problem worse. Yet, we are repeatedly told by experts that these nations must be kept afloat economically because default would trigger a banking collapse in the American banks holding the notes. And the Japanese and Europeans are being dragged into the debt morass for the same reason.

"What we aren't told is that the world debt crisis will likely lead to recommendations that all involved nations cede their economic independence to international authority. Then the planners will have reached their goal, but national and personal freedom will be gone."

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