

# THE NEW TIMES

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

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## SOCIAL CREDIT AND THE SOVIET UNION

*by Eric D. Butler.*

The author of *Social Credit*, C.H. Douglas, has recorded how early in the establishment of the Soviet Union by Lenin and his colleagues, he was approached by a representative of the Bolsheviks to ascertain what advice he might be able to give. Douglas said that he could give no advice on Social Credit financial proposals because the basic problem Lenin and his colleagues faced was one of how to restore the collapsed Russian economy. Lenin was, of course, forced to attempt to grapple with economic realities, as witnessed by his introduction of the New Economic Plan, an acceptance of the fact that a degree of private ownership was essential to prevent a complete economic collapse and a state of anarchy.

**Gorbachev is faced with the same problem, but in a much more acute form.**

What has happened in the Soviet Union provides illuminating evidence that, contrary to the carefully fostered view that Social Credit is no more than "a scheme of monetary reform", that financial credit can be made readily available for purposes completely opposed to the philosophy and policy of Social Credit. Hitler certainly challenged financial orthodoxy, his financial advisers relying heavily upon the teachings of that darling of the more sophisticated Fabians, John Maynard Keynes. What was physically possible was certainly made financially possible, but to the end that the individual German along with German industry should be subservient to the State. Not surprisingly, a number of people who erroneously believed that Social Credit was simply a creation of credit by the State believed that Hitler had introduced some form of Social Credit.

### THE MISLEADING OF THE "RED DEAN"

But there were other money reformers who believed that the Soviet Union had also introduced a form of Social Credit, the most notorious of these being the ("Red") Dean of Canterbury, Dr. Hewlett Johnson, who had at one time claimed to be a supporter of Douglas, but who later became a leading supporter of the Soviet Union. Dr. Johnson had at one time written a little booklet, *Why Poverty Amidst Plenty?*, which was an elementary exposition of the Social Credit view that adequate finance should be made available to ensure that the individual could obtain from the production system what was physically possible. The Dean had been trained as an engineer before taking Holy Orders, and it was generally believed that it was this background, which fitted him to become an exponent of Social Credit.

However, following a trip to the Soviet Union, the Dean returned to be numbered among a large number of Churchmen, academics and others who were convinced that while the West generally was suffering the dreadful effects of the Great Depression, the Soviet was engaged in creating a "New Civilisation". The Dean wrote a best seller, *The Socialist Sixth of The World*, which claimed that the Soviet was engaged in abolishing the grinding poverty so prevalent in the "capitalist" nations. The Dean had obviously been hoodwinked with the same carefully stage-

managed propaganda which was repeated as gospel by the two famous Fabians of the day, Sidney and Beatrice Webb.

Early in the Second World War Hewlett Johnson did a

## 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.

lecture tour of Australia, praising the Soviet. At his Sydney meeting, Mr. C. Barclay-Smith, editor of the popular Social Credit paper, *The New Era*, walked up to the Dean holding the Dean's booklet on Social Credit in front of him. The Dean's reaction was interesting, and revealing: he readily responded in a most pleasant manner, going on to say that he still believed in what he had written about Social Credit, but that he was now convinced that the Soviet Union was applying Social Credit. This was why the "international Capitalists" were afraid of the Soviet experiment. Clearly the Dean was not aware that sections of the "international capitalists", financed by the International Banks, had been engaged in providing massive capital equipment for the Soviet.

### LENIN ON BANKING

The Dean had certainly discussed Social Credit with the Soviet hierarchy, later quoting Molotov as having said that the Soviet leaders knew all about Social Credit and that it was the only movement they feared. Social Crediters of the period were puzzled by Dean Johnson's view that some form of Social Credit was being used in the Soviet Union. There is little doubt that Lenin had some understanding of modern banking as witnessed by a statement he made just prior to the October, 1917 Revolution:

"Without big banks, socialism would be impossible. The big banks are the 'State apparatus', which we need to bring about socialism, and which we take ready made from capitalism.... A single State Bank, the biggest of the big, with branches in every rural district, in every factory, will constitute as much as nine-tenths of the socialist apparatus. There will be country-wide bookkeeping, country-wide accounting of the production and distribution of goods; this will be, so to speak, something in the nature of the skeleton of socialist society." *Lenin's Collected Works*).

### "COOKING" THE SOVIET BOOKS

Within hours of taking power in 1917, Lenin sent a contingent of armed revolutionaries to seize control of the Tsarist State Bank in Petrograd. This was followed by cancelling the shares of all foreign investors in Russian banks. Through a series of moves, control of all banking was centralised in first one major bank, Narodny Bank (People's Bank) and four years later, this was liquidated and replaced by the Gosbank, the major planning instrument of the Soviet government.

Over the years it has been extremely difficult to obtain details of how Gosbank operated, and an understanding of the Soviets financial accounting. Year after year it has appeared that the Soviet was operating a balanced budget, with the Soviet working perfectly in accordance with Socialist theory. But the recent publication of a most revealing book, *The Coming Soviet Crash*, by Judy Shelton, a research fellow at the famous Hoover Institution at Stanford University, has penetrated what in fact has been a major confidence trick. It would appear that Gorbachev is well aware of how the Soviet's financial books have been "cooked", and grasps the reality of the Soviet's desperate economic plight, one which is so serious that unless massive Western financial credits and economic aid can be obtained quickly, the Soviet is threatened with a major internal collapse. It is not without significance that although *The Coming Soviet Crash* has been published by an establishment firm, a Division of Macmillans, the distribution of the book has been sabotaged. This suggests that International Finance is determined that the truth about the Soviet should be censored, and that every effort must be made to ensure that Gorbachev is sustained.

What emerges from *The Coming Soviet Crash* is that from the time of the establishment of Gosbank there were no limitations concerning the flow of financial credit to centrally planned State industries. The "cooked" financial books masked the fact

that all financial deficiencies were simply overcome by massive injections of new credits from Gosbank. Thus it was possible to claim that the Soviet was able to operate with balanced budgets. Assuming that the Dean of Canterbury accepted what the Soviet propagandists were telling him about the Soviet's financial policies, it is perhaps understandable how he came to the conclusion that this was a type of Social Credit. It appeared that unlike in the West, a shortage of finance was not a limiting factor in getting things done in the Soviet.

### MONEY COUPONS

From a production point of view, Hitler's method of creating new credits produced, for a period, quite spectacular results by leaving relatively intact the private enterprise system. But the Soviet programme of State-controlled enterprises, including agriculture, resulted in hopeless bureaucratic inefficiency. Clearly there is no question of a shortage of finance in the Soviet. The problem is, as Douglas indicated, that money has become little more than a coupon system. People have so many

## PRESENTING THE REAL FACE OF THE LEAGUE OF RIGHTS

The 1989 National Weekend of The League of Rights will reflect the real face of the League against the massive smear campaign of the League over the past eighteen months. It will be another historic weekend devoted to a presentation of the real face of the League by League speakers. Every aspect of the League's programme, from the spiritual to the political, economic and constitutional, will be presented by a panel of League speakers. It will be a rallying of League supporters and friends at a time when the forces of Evil are devoting vast resources to the campaign of attempted erosion of the influence of the League. Every League supporter should make an effort to be present.

The National Weekend will start with the Annual *New Times* Dinner, on Friday, September 29. Rising costs necessitate increasing the price of the Dinner to \$25 per person. But the high quality of the Dinner can be guaranteed. Bookings may be made now. As this is an exclusive League "family" Dinner, the organisers reserve the right to determine the guest list.

The National Seminar, to be held on Saturday, September 30, will be devoted to the theme: "Presenting the Real Face Of The League of Rights.". The controversial "Jewish Question" will be examined by National Director Eric Butler. One of the most important Papers to be presented will be by Queensland State Director, Mr. Chas. Pinwill, "What Has To Be Done". This National Seminar will be a tremendous feast, and will mark another major step forward in the development of the League. Entrance \$5.

The media, which has played a vital role in the attempted destruction of the League, and has charged that the League has a "hidden agenda", will, along with others, be challenged to cover the event.

As usual, League actionists will meet at "Runnymede", Panton Hill, on Sunday, October 1.

Limited private hospitality can be arranged for those interstate and country guests requiring it. But early requests would be appreciated. Please note that both *the New Times* Dinner and the National Seminar will be held at a Carlton venue, details to be announced later.

coupons that they cannot use, that it is not surprising that Soviet savings are relatively high. Goods are rationed by their short supply. A booming black market operates with the approval of the Soviet authorities, as this helps to absorb the vast volume of roubles in the hands of the people.

The picture presented by Judy Shelton, who writes from a strictly orthodox financial point of view, is one of a dull collectivist society in which supplies of basic foods are available at relatively low prices because they are subsidised. Bread is so plentiful that children use it as footballs. Western grain supplies help to ensure that there is adequate bread, even if people have to stand in queues to get it. Cabbages and similar products are also available. Basic food, with few of the additions normal in Western societies, at a relatively low price has been a major Soviet instrument for keeping the Soviet masses contented. Should Gorbachev follow the lead of the Polish Communists, abolish consumer discounts on food allegedly in order to produce greater efficiency through the operation of "market forces", he will undoubtedly precipitate the same type of uprising which shook Poland and led to the creation of the Solidarity Movement.

#### **SOCIAL CREDIT CONFIRMED**

What has been demonstrated in the Soviet Union is that a harmonious society of satisfied individuals requires an economic

system organised to serve the individual through a financial system which enables the consumer to dictate what he wants from the economic system. If the Germans had received direct access to the new credits being created, they certainly would have "voted" for butter ahead of guns. Gorbachev is attempting to move the Soviet system to something approximating the National Socialist system, with a sufficient "freeing" of the economy to permit it to operate more creatively. The philosophy underlying all forms of centralised planning is that the State should "plan" and "control" the economy. Australia and other nations, irrespective of the label of governments, are increasingly being influenced by the same type of philosophy. To the extent that they implement this philosophy, they move closer to totalitarianism.

Molotov was correct when he told the Dean of Canterbury that Social Credit was the only threat to what he and his Marxist colleagues were attempting in the Soviet Union. Events inside the Soviet Union continue to confirm the truth of Social Credit. These events and their impact on the struggle for the world are increasingly bringing into clearer focus the nature of the struggle for the world. That struggle concerns power and its use. It is an old struggle, with Gorbachev one more actor on the world stage.

Clearly there are dramatic developments ahead during which Social Crediters will have new opportunities to bring the truths of Social Credit to bear upon events.

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## **SAY "NO" TO FINANCING THE SOVIETS**

*by Phyllis Schlafly.*

**It is now clear that the Soviet economy is in a much worse plight than generally realised, and that Soviet leader Gorbachev desperately requires Western aid in an attempt to prevent a major Soviet collapse.**

**The following article is from the March issue of "The Phyllis Schlafly Report", Box 618, Alton, Illinois, U.S.A., 62002.**

Rescheduling and convertibility are not exactly household words, but they may become so soon. Those are the names for the mechanisms by which some big U.S. banks and businesses are planning on making a tidy profit by using American taxpayers' and bank depositors' money to bail the Soviet Union out of its economic depression.

Rescheduling is a fancy four-syllable word which means that Soviet borrowers from U.S. banks never have to pay back the principal of their debt, while even the interest payments are postponed, financed by new loans, concealed from the banks' stockholders, and rolled around from one banking consortium to another so they are difficult to trace.

The banks, which are most active in making loans to the Soviets, are First Chicago, Chase Manhattan, Citibank, Manufacturers Hanover, Chemical Bankers Trust, Marine Midland, and Bank of America. According to the human rights organization called Resistance International, of the ten largest U.S. banks lending to the Soviets, not one of them mentioned one word about Soviet-bloc loans in its Annual Report to stockholders.

The chief reason Gorbachev is currently so conciliatory towards the West, pulling out of Afghanistan and playing the role of Smiling Mike on television, is that he wants \$100 billion of Western capital over the next five years. And, like most Soviet bosses, he thinks Americans are suckers enough to provide it.

Despite perestroika, the U.S.S.R. has a long, long way to go before being considered for the preferential treatment represented by "most favored nation" trade status, let alone membership in Western financial organizations that are subsidized by U.S. taxpayers.

No businessman would call someone a "customer" who lacked any visible means of paying for his purchase. By any reasonable use of the term, the Russians cannot be called customers of American goods because they have no money to buy our goods and very little to sell that we want to buy.

So how does the Soviet Union finance its massive mili-

tary buildup and its global adventures in Afghanistan, Central America, the Far East, the Middle East, and all over Africa? By getting unsecured and unrestricted (called untied) loans from the West, that's how.

While rescheduling has been going on for several years, convertibility is the new hocus-pocus coming down the pike. One of the principal current impediments to the greatly increased flow of American capital for which Gorbachev and his pals are lusting is the fact that the Russian ruble is not convertible on world currency markets.

So, if U.S. corporations make any money by doing business in the Soviet Union, the rubles are not good for anything except to travel inside Russia. It is probable that most executives (and their wives) can find lots more exciting places to visit.

Plans are now being formulated to give a false image of ruble convertibility. The game plan calls for securing the connivance of West German and Japanese banks to support a limited amount of rubles on the market at a pre-agreed level.

### **JOHN M. BROWNE.**

**We regret to report the recent death of Mr. John M. Browne, one of the early pioneers of the League of Rights.**

**John Browne was the first Organising Secretary, and displayed great organisational skills during his years of service with the League**

**Later in life he moved on to take a number of senior professional positions, and ill health forced an early retirement from Monash University two years ago. He had ill health for some time.**

**Our deepest sympathies go to his wife Margaret and family.**

Of course, that would not be a market ruble at all; it would just be done with mirrors. If Americans let the Soviets get by with this, the Soviets will then be eligible for membership in all the international money organizations that serve as conduits to bleed the American taxpayers for the benefit of foreigners.

The Soviet economy is an economic basket case and not creditworthy in any sense of the word. Dr. Judy Shelton of the Hoover Institution estimates that the current Soviet national budget deficit is now running at close to 15 percent of Gross National Product. (Our U.S. budget deficit, about which we hear so much, is less than 3 percent of our GNP).

It is bad enough that U.S. banks and corporations are bailing the ruthless ruling regime in the U.S.S.R. out of its Communist-caused economic woes. But it is intolerable that those banks and corporations are able to impose half the costs on the American taxpayers.

When the Soviet bloc and Third World borrowers default on their loans from American banks, and when U.S. corporations have a loss on their trade or investments, the U.S. banks and businesses just deduct those losses on their income tax returns. It would be a simple matter for Congress to amend the tax code to eliminate deductions for foreign losses.

If the big U.S. banks and businesses want to risk their own money, let them (provided they tell their stockholders). But it is wrong for them to roll half their losses onto the backs of the American taxpayers. Ask your Congressman to put a stop to this racket.

#### **GORBY'S SPEECH THAT DIDN'T MAKE HEADLINES**

Soviet Party boss Mikhail Gorbachev didn't come to New York last December to deliver the olive branch of peace and a renunciation of war. He came to the United Nations to give the fawning liberal media some headlines about promised troop reductions while he delivered his sales-talk demanding cancellation of the massive debts owed to the West by Third World and Soviet bloc countries.

This was the number-one point of his UN address but, funny thing, it didn't make it onto the front pages of the *New York Times* or the *Washington Post*. This remarkable message was couched in terms of saying that the U.S.S.R. would cancel the debts other countries owed to it, but it is clear he was challenging America to do likewise; and it is also clear that the United States would be the big loser under such a policy while the Soviet bloc (and the Third World) would be a big winner.

In diplomatic language, Gorbachev said: You American suckers might as well face the music. The Third World and the Soviet bloc are never going to pay back their bank loans to the West, and are not even going to make current interest payments.

Gorbachev put it like this: "Looking at things realistically, one has to admit that the accumulated debt cannot be repaid or recovered on the original terms." He blamed the problem on "colonialism" — which, of course, disappeared a generation before the debts were incurred.

In the new spirit of perestroika, Gorby offered U.S. bankers several options: (1) "write off the debt altogether." (2) give "a lengthy moratorium of up to 100 years on debt servicing" (that means postpone interest payments 100 years and forget the principal altogether), or (3) "limit their debt servicing payments" and defer the principal for "a long period."

Perhaps those alternatives seem too outrageous because of American sensitivities to the sanctity of financial contracts. If so, Gorbachev offered another option to ease the pain.

Option 4 is "guaranteeing government support for market arrangements to assist in Third World debt settlement, including the formation of a specialized international agency that would repurchase debts at a discount." That means setting up an international revolving-door agency that would buy the debts from the big banks, at, perhaps, 50 cents in the dollar.

Of course, it goes without saying that the United States always pays at least a third of the budget of any international agency.

This option would allow, the big banks to recover about half their losses out of the pockets of U.S. taxpayers. The big banks would evade paying for their financial mistakes, Communist and Third World countries would get a free ride, and the U.S. taxpayers would foot the bill.

The rest of Gorbachev's speech was a contradictory mish-mash of notions that allow persons with contrary views to hear what they want to hear. Lenin called this tactic using Aesopian language.

Headlines in the liberal U.S. media proclaimed that Gorbachev came out for "de-ideologizing relations among states." His Marxist associates were reassured, however, by the very next sentence in his speech: "We are not abandoning our convictions or philosophy or traditions."

Headlines in the liberal U.S. media proclaimed that Gorby might be willing to negotiate away his massive treaty-violating radar system at Krasnoyarsk. In fact, Gorby reassured his Kremlin buddies by saying that his plan is merely to put that radar under the Kremlin-controlled U.S.S.R. Academy of Sciences!

Gorbachev announced, "Soviet democracy will be placed on a solid normative basis." Some naive Americans may believe that means he is veering toward our kind of democracy, but his Politburo pals will read that to mean Soviet-style, one-Party, totalitarian government by Gorbachev's own appointees will be even more institutionalized.

In a peculiar piece of diplomatic effrontery, Gorbachev invoked the Latin maxim "pacta sunt servanda," which he kindly translated for us; treaties must be observed. Does it strike you as a little discordant that the Soviet boss should be lecturing us on treaty compliance?

Before we cuddle up too close to this new television star from Moscow, let's remember what Gorbachev didn't say. He didn't say he would tear down the Berlin Wall or the Krasnoyarsk radar, and he didn't say he would stop propping up Castro and the Sandinistas.

#### **BANK AND BUSINESS FAVORITISM TO THE U.S.S.R.**

The U.S. banking business is one of our most regulated industries. Bank examiners have vast powers to bring about compliance with strict regulations and standards.

So how is it that U.S. banks can get by with lending U.S. depositors' money to foreigners on terms so much more favorable than American businesses and farmers can get? The biggest banks in the United States have been lending vast sums to Communist countries on easy terms not available to any U.S. firm or farm or even to the U.S. Government.

Western countries and Japan have provided the Soviet bloc with about \$130 billion in low-interest, unsecured loans, and this sum is rising at the rate of \$2 billion per month. The U.S.S.R. share of these loans is about \$43 billion.

Most of these loans were sent eagerly, with no strings attached. They included a \$200 million loan by First National Bank of Chicago to the Soviet Union in 1987, and one the

#### **THE FRENCH REVOLUTION**

1989 is the Bicentenary of the French Revolution, the first modern open revolt against Western Christendom by Dark Forces. Writing in *Lord George Bentinck* (1852) Benjamin Disraeli said:

"It was neither parliaments nor populations, nor the course of nature, nor the course of events, that overthrew the throne of Louis Phillippe. . . . The throne was surprised by the Secret Societies, ever prepared to ravage Europe."

previous year to Communist Hungary for \$210 million.

When Hungary threatened to default, First Chicago postponed the payment-due date for four years. The banks call that rescheduling the loan, but that's a euphemism for default that is artfully concealed by a misleading audit.

A First Chicago bank representative was asked if the money could be used for missiles. He replied, "It could, of course, but we would hope not. We can't control that." Of course they can't. Because the Kremlin can dictatorially allocate resources, cash from U.S. banks help to finance military support for terrorist states, genocide in Afghanistan, KGB operations, and the Soviet military buildup.

Why are banks so eager to "loan" their money to uncreditworthy Communists; Probably the same reason why businesses are so eager to "sell" their products to Communist "customers" who can't pay in real money. U.S. banks and businesses can write off their losses, which means the U.S. taxpayers end up holding the bag.

The focus for this promotion of subsidized loan and trade is a unique organization called the U.S.—U.S.S.R. Trade and Economic Council (USTEC), it held a conference in Moscow in April 1988 at which some 500 American businessmen and government officials met with a like number of Soviet representatives.

The Pied Piper of this excursion was the then Secretary of Commerce William Verity, a founder of USTEC in 1973 and its chairman from 1978 to 1984. He boasted that, "The U.S. is going to have to get used to the idea that the Soviets are good trading partners. Right now we don't have that feeling. A lot of people feel it's a lousy idea."

Indeed, many people do think that giving the Communists preferential treatment through easy loans and trade on credit is a lousy idea. Senator Jesse Helms called USTEC "quite simply an arm of the Soviet Government, under KGB control, whose purpose is to subvert the U.S. economy."

When Mikhail Gorbachev came to Washington, D.C., in December 1987 the principal purpose of his visit was not to sign a treaty, but to attend a private meeting at the Soviet Embassy with some of the most powerful promoters of easy-credit trade between the U.S. and the U.S.S.R. Those men included the perennial Armand Hammer, longtime friend of Kremlin bosses since the days of Lenin: Dwayne Andreas, one of the U.S. grain moguls who have been making big bucks on grain sales to Russia subsidized by the American taxpayers; and USTEC president James H. Giffen.

On the NBC TODAY show the next day, Giffen predicted, "the level of (non-agricultural) trade could go from a billion dollars.... up to four or five billion per year and maybe even higher into the 10 to 15 billion (range)". Asked if he really wanted to make the Soviet Union an economic superpower, Giffen replied, "I think we do."

All Republicans elected on November 8, 1988 should be held to fulfillment of what their 1988 Platform called a "fundamental principle." The Platform demanded, "an end to untied credits, particularly general purpose loans which provide the Soviet Union with desperately needed hard currency to bolster its weak economy and facilitate illicit Soviet purchase of U.S. technology."

A human rights watchdog organization called the American Foundation for Resistance International has released an excellent five-point test for loans to Soviet-bloc states. U.S. banks should not lend to Soviet bloc states (1) at rates or terms more favorable than available to U.S. taxpayers, (2) when there is less repossessable security than American borrowers must provide, (3) unless the banks publicly disclose all the terms, (4) unless the funds are earmarked and monitored to prevent diversion to military purposes, and (5) unless the borrower complies with generally accepted auditing and accountability practices.

## GUIDELINES FOR U.S.-U.S.S.R. TRADE

It is imperative that we stop U.S. banks from giving preferential loans to the Soviet Bloc. We must make sure that U.S. businesses are not subsidized in their trade with the Soviet Bloc.

*First*, it is intolerable for U.S. banks to give better rates and terms to Soviet Bloc nations than to creditworthy Americans. There is something drastically wrong with a banking system that reschedules foreign Communists' loans that are in default while foreclosing on farmers' properties that have been owned by their families for generations, and on businesses that failed for reasons beyond their control.

*Second*, bank loans to the Soviet Bloc are unjust both to depositors and to taxpayers — and a danger to U.S. financial security - because the reserves of the FDIC (Federal Deposit Insurance Corporation) are insufficient to cover the uncollectible debts already owed by the Third World. Since the FDIC is guaranteed by the U.S. Government, in the last resort the American taxpayers could be stuck with the debts.

To make more loans to foreign borrowers on preferential terms is a betrayal of American taxpayers' interests. The Soviet Bloc countries are not creditworthy by any acceptable banking standards.

Those countries have no collateral to secure their borrowings, and there is no judicial system in which we can obtain justice. In the last several years, several Soviet bloc governments, Poland, Czechoslovakia and Hungary, have already defaulted on their debts to Western banks.

*Third*, credits and subsidized trade with the Soviet Union are a threat to U.S. military security because U.S. bank cash is used for the overt and covert acquisition of military hardware and technology from the West. Such credits are also a threat to the peace of the world because they are used to finance Soviet military support for terrorists, adventures in aggression, and worldwide KGB operations.

Many if not most of the American corporations that are so eagerly promoting U.S.—U.S.S.R. trade produce high-tech equipment and therefore are prime espionage targets. These companies' sole objective is to sell their products, and their slogan is "trade is trade".

*Fourth*, credits and transfers of high technology cost the American taxpayers billions of dollars to overcome the technology advantages that businessmen and bankers send to the Soviets. The Department of Defense stated that trade and technology transfers to the Soviet Union have already saved the Soviets

### "HEALING A DIVIDED NATION"

By Rev. Cedric Jacobs, M.B.E.

A courageous Christian Aborigine exposes the socialistic land rights programme and puts forward a constructive solution for helping Australians of Aboriginal background. Contains considerable wisdom, with a final chapter suggesting constructive financial policies to bring all Australians together. It is not too much to say that this book could have a profound effect on the future of Australia. Essential reading for Christians who have been misled by some Churches on land rights.

This tremendous book by Aboriginal leader Cedric Jacobs carried an inspiring message for all Australians during the historic Bicentennial year. Irrespective of their backgrounds, all Australians are urged to work together to build upon the best of the past for an even better future.

A book, which deserves the widest possible distribution.

Price \$6 posted from all League bookshops.

billions of dollars, reduced weapons development time, and amounted to a gain of between \$6.6 and \$13.3 billion in military technology.

According to a November 23, 1987 report of the Joint Economic Committee of Congress, this would translate into a need for the United States to increase its defense costs by an additional \$50 billion. The best way to avoid increases in U.S. defense spending is to stop shipping U.S. technology to Russia.

*Fifth*, Americans are taxed enormous sums of money to provide military and economic protection for Western Europe and Japan. We maintain 300,000 American troops in Western Europe to protect our NATO friends from Soviet Bloc aggression, and they certainly do not spend their fair share of the defense costs.

We spend large sums to keep oil tankers moving through the Mediterranean, primarily for the benefit of Japan and Western Europe. Japan spends next to nothing for its own defense, relying almost totally on the United States.

Yet these same countries have been falling all over themselves to send delegations to Moscow offering cash to the Kremlin. The West Germans offered \$1.6 billion, the French bankers offered \$2 billion, the Italians granted \$775 million on low-interest terms, and British banks are offering \$1.7 billion.

Observers call this NATO's "lending frenzy", and it will net the Soviets \$9 billion in new capital from NATO Europe and Japan. To add insult to injury, Italian Prime Minister Ciriaco de Mita called for a "Marshall Plan for the Soviet Union".

It makes no sense to continue the high costs of defending our so-called Western European and Japanese friends while they use their ready cash to make huge loans to the Soviet Union, which then builds more weapons that increase our own military costs to defend the Free World.

Finally, credits are the wrong basis for a U.S. relationship with the Soviet Union. Our relations should focus on dismantling communication barriers and promoting East-West contacts based on human rights. Extending loans to bail a ruthless dictatorship out of its problems conveys the world perception that Americans don't care about human rights behind the Iron Curtain.

The best way to promote perestroika is to let the Soviet economic problems, agricultural failures, and scarcity in consumer goods force Gorbachev to reduce his military spending.

#### **OUR GREAT OPPORTUNITY FOR REAL ARMS CONTROL**

Pressure will be on the Bush Administration to cut defense spending in tandem with domestic spending cuts. However, what we need to spend on defense has no relation whatsoever to domestic spending. Defense spending should depend on the threat to America, namely, on Soviet weapons spending.

The CIA has long estimated that the Soviet Gross National Product is a little more than half as large as America's and their per capita output a little less than half of Americans'. Last year an economist at the Soviet State Planning Committee (Gosplan) published a report on the Soviet GNP using rubles in a Western-style format.

When a scholar at the American Enterprise Institute, Nicholas Eberstadt, translated the figures into dollars, he discovered that the Soviet economy is barely a third the size of ours and that the Soviet per capita output is only one quarter the American level. Even that estimate is probably overstated because it used the official exchange rate for the ruble, which is artificially high.

Mr. Eberstadt also looked at the Soviet economy's growth rate. The CIA has been telling us that the Soviet economy has been growing at the low rate of two percent a year since the mid-1970s. But Mr. Eberstadt discovered that Soviet commentators now admit that the figures released by the Soviets made no ad-

justments for inflation because the Communists denied that inflation exists.

Last year, two Soviet economists said that the per capita output was slightly lower in the mid-1980s than it was ten years earlier. Since then, one of Gorbachev's top advisers admitted that the Soviet national income did not grow at all between 1981 and 1985, implying a per capita decline of almost one percent a year.

So it appears that the Soviet Union is in a far, far worse condition than American experts have been telling us. When we compare the U.S.S.R.'s economic condition with its military agenda, we can see what a historic opportunity has been served up to the Bush administration.

Most experts believe that Soviet and U.S. military expenditures are roughly comparable. CIA figures have long been estimating that Soviet military spending is 15 to 17 percent of the Soviet Gross National Product.

However, if the Soviet economy is much smaller than previously estimated then its defense spending would have to be a much higher percentage of its GNP. The Gosplan GNP figures referred to above would indicate that Soviet defense spending is at least 25 percent of total output.

Any country that is spending 25 percent of its GNP on military weapons has its economy on a crash wartime basis. American military spending today is only 6 percent of our GNP.

Just as military spending becomes proportionately greater when we consider the true size of the Soviet economy, so also the level of trade and credits from the West becomes vastly more important. Indeed, they are so indispensable to the Soviet economy that, without them, the U.S.S.R. could not even be

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#### **THE GLORIFICATION OF BIGNESS**

" . . . it is convenient to examine this glorification of Bigness. Bigness for the sake of Bigness, you can't have too much Bigness. Bigger wars, bigger guns, bigger debts. One Big Union, Federal Union. Big Smash. Any ten prizefighters weigh more than Shakespeare, therefore any ten prizefighters are more important than Shakespeare. The Albert Memorial is bigger than any Cotswold cottage — grade accordingly. Passed to you for information and necessary action, please.

"The first point to notice in regard to this deification of Bigness, is that it is accompanied everywhere by the Lower Middle Class Revolution. I recognise the unpleasant impression that such a phrase may convey, but the French equivalent, *petit bourgeois*, which has been largely used in this connection, does not appear to be more descriptive,

"As perhaps it is permissible to repeat, the real cleavage in the world today is a cultural, not an economic cleavage, although the two may not be wholly distinct . . . One characteristic of the class is blatancy, quite often joined with qualities much more admirable, and it appears to be specially and no doubt unconsciously, amenable to outside influence.

"If a man comes into your house, and says loudly, 'I don't care what you want to talk about, you are going to listen to what I think is good for you', he may be possessed of many good qualities, but your chief pre-occupation is to get away from him. But if he returns and says, 'You are going to have the kind of house I like, not what you like, and you will pay what I think you ought to pay, and you will riot be allowed to build a hen-house unless I agree. And my friend across the way will say where you are to shop and what you are to eat, and which of you is to eat it and together we will tell you why God made you', then it is time to take notice and action.

"This curious adulation of Bigness is indisputably a common attribute of Socialism (under all its names), Big Business, and what we call vulgarity."

- C.H. Douglas in *The Big Idea*.

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called a major world power.

The present economic problems of the Soviet Union offer us our greatest opportunity since the death of Stalin to advance the cause of peace in the world, to reduce tensions and nuclear arms, and to cut our own defense budget. By simply letting nature take its course, Gorbachev will be forced to reorder his priorities from weapons and aggressive adventures into food and consumer goods.

He might even be forced to respect some basic human rights. It would be one of history's greatest lost opportunities if loans from U.S. banks make it possible for the Soviets to continue their high level of weapons spending and aggression.

An interview with George Bush published the day he was elected President in the French journal *Le Figaro* showed that he understands the reality and the opportunity. "The real problem facing us at the moment," Mr. Bush said, "is money: loans and credits. We don't want to see untied credits being given to the Soviets at this point in time. We want to put Gorbachev in a position where he has to make hard choices and pull back from defense spending."

Continuing, Mr. Bush said, "That is supposed to be one of

## PERSONAL RESPONSIBILITY

"There is only one sound basis for co-operative society, and that is individual and personal responsibility. It is no part of my intention to rest my argument upon theological grounds except where these themselves are capable of demonstration, but it does seem to me to be difficult to have a plainer and flatter repudiation of collectivism in all its aspects, and of the idea that an organisation can absolve an individual of the responsibility for his actions, than the statement, 'He took upon *Himself* the sins of the world' (society).

- C.H. Douglas in *The Big Idea*

the hallmarks of perestroika. If we give him enough money, without stipulating how he is to spend it, we make it possible for him to avoid making this fundamental decision. So we don't want untied loans or credits."

The lesson is clear. The way to cut defense spending and achieve real arms control is to stop U.S. bank loans to the Soviet Bloc. The Soviet economy is in such terrible straits that the arms-control problem will then take care of itself.

# THE STRANGE SILENCE OF POPE PIUS XII

by John Cotter.

The author of this article, formerly of HMAS HOBART and now a Canadian citizen, raises a question, which, regrettably, not even the Vatican has really attempted to answer. Pope Pius XII has been the target for a continuing Zionist smear campaign. Pope Pius did not condemn the alleged gassing of six million Jews for the very good reason that he had no information from his many contacts to suggest that such mass gassings took place. Instead of facing the reality, the Pope's defenders make the fatal mistake of trying to find any excuse that will distance them from any suggestion that the story of the six million is a gigantic hoax.

Why the strange silence of PIUS XII, Pope from 1939 to 1958, on the Holocaust?

By "Holocaust" we do not mean the mere internment of Jews in concentration camps in World War II. After all, there were concentration camps for dissidents in Britain and Canada. In Canada, thousands of Japanese, Germans, and Italians were interned along with many Canadians including the colourful 300 pound Mayor of Montreal Camilien HOUDE. In Britain aristocratic dissidents like Sir Oswald Moskey, Admiral Sir Barry DOMVILLE (Director of Naval Intelligence in World War I), Captain A.H.M. RAMSAY, M.P. of the King's Own Scottish Bodyguard were interned in Brixton Jail, London, as was the Northern Ireland Nationalist M.P. Cahir Healy, a Catholic. And Brixton Jail was far more unpleasant than AUSCHWITZ which had an Olympic sized swimming pool, a dance hall, two dance bands, a concert auditorium, - and a brothel! Nor, by the Holocaust, do we mean that occasional atrocities against the Jews did not happen, like the My Lai incident in Viet Nam or the incident in World War II where a British submarine Commander Anthony Miers ordered 7 Germans helpless in a life raft off Crete to be machine-gunned. Miers retired in 1959 as Rear Admiral Sir Anthony Miers, VC, KBE, CB, DSO and Bar.

We must note in passing that the present Israeli Prime Minister YITZHAK SHAMIR and his Stern Gang guerrillas actually sought an alliance with Hitler against the British in 1941 with a view to setting up a Jewish state in Palestine. Though long known to historians this was only revealed to the world press in a REUTER'S despatch on the 8th March 1989. One doesn't attempt to make an alliance with someone who will put you in a gas chamber, does one?

By "Holocaust" we will accept the meaning as undoubtedly understood by the man-in-the-street - "the gassing of 6,000,000 Jews" by Hitler and his Nazis in the period 1939-1945.

Undoubtedly it was the duty of Pope Pius XII as the Vicar of Christ on earth to speak out on such an *enormous* crime. So

why alone among world leaders did he *not* do so? Remember there were some 2,000 Catholic priests in the Nazi camps.

One of these was Mgrs. Johannes Neuhaeusler who later became Auxiliary Bishop of Munich dying in 1973. He was interned both in Sachsenhausen and Dachau from 1941 to 1945. Mgrs. Neuhaeusler wrote a booklet entitled *Thus it was in Dachau* in which he stated the gassing and burning myths were just "fairy tales" and that the Dachau crematorium in which 238,000 inmates were supposedly gassed and burned was erected by order of the American Army *after* the war. No wonder there is now a notice at Dachau "No gassings took place here."

Such priests as Johannes Neuhaessler and 2,000 others would undoubtedly have told the Pope what really went on. The most famous of all the interned priests was Father Maximilian KOLBE, a Franciscan. Kolbe took the place of a married man with a family who was one of ten men arbitrarily selected by the camp commandment to be executed in retaliation for a prisoner who had escaped. Kolbe died on August 14th, 1941, in a starvation bunker but *not in a gas chamber*.

It is interesting to note that Official Jewry considered Kolbe anti-Jewish - "New Polish saint was a leading anti-Semite" said the headline in the London *Jewish Chronicle* of October 15th, 1982.

## POPE DID NOT TAKE SIDES

What was Pope PIUS XII's attitude to the war and to the Nazis? The Pope did not take sides in the war because there were Catholics on both sides. Had the Pope backed "our side" he would have become an accomplice to the terrible betrayal of all Eastern Europe, including the Poland we had supposedly gone to war for, and the handing-back to the KGB of millions of Soviet citizens who had gone over to our side at the end of the war, and who did not want to return to "the workers' paradise." So why the strange silence of Pope PIUS XII? Permit the writer to offer

this explanation.

It is an undoubted fact that a campaign of wholly irrational hate and disinformation has been the undoubted fate of *all* major anti-Communist figures, countries (e.g. South Africa), and ideas (e.g. Star Wars) over the last 50 years. Consider the universally bad press *in the West*, the supposedly anti-Communist West, of such figures as General Franco (Spain), Salazar (Portugal), Marshall Petain (France's hero of world war I), Syngman Rhee (South Korea), Ngo Dinh Diem and Ngo Dinh Nhu (South Vietnam), General Chiang Kai Shek (of once-free China and our strong ally in world war II), and others too numerous to mention.

Anti-communist blacks such as Moishe Tshombe who tried to save the (Belgian) Congo from Communist Patrice Lumumba, South African Zulu Chief Gatsha Buthelezi, Dr. Jonas Savimbi in Angola have all had extremely negative treatment in the press of our so-called free world, while the brown skinned Moslem General ZIA (recently blown up in a plane under highly mysterious circumstances), had real hate fomented against him, perhaps because his help to the Afghans was decisive in their freedom struggle against the Soviet invaders. A brown or black skin doesn't save you these days if you are anti-communist!

Of great significance was the attitude of the mass media towards Joseph Stalin who died in 1953. Stalin usually got a fairly favourable treatment in the media of the West until 1956 when Krushchev himself denounced him in a speech carefully leaked to the media at the 20th Party Congress.

### PERMISSION TO ATTACK STALIN

Thereafter the world press began seriously to attack Stalin. In short they felt they had *permission from Krushchev himself to do so!* This was a masterstroke of Communist propaganda — all the blame for Communism's shortcomings, mass murders and brutalities were heaped onto one man — conveniently dead, and not on Communism itself. Compare this with the attitude of the Pope to Communism. In the brilliant encyclical letter (1937) *on Atheistic Communism* (which remains very much in force to this day) Pope Pius XI wrote:

"Communism is intrinsically evil, and no one who would save Christian civilisation may collaborate with it in any undertaking whatsoever."

No mention in it was made of Stalin, or Trotsky or Lenin or Bela Kun the bloody butcher of Budapest (Hungarian Communist Revolution of 1919). So, according to the Pope, it doesn't really matter who rules in the Soviet Union, whether Stalin or Mikhail Gorbachev (with his stylishly-dressed wife and her natty hair-do), Communism is "intrinsically evil."

In this great encyclical on *Atheistic Communism*, Pope Pius XI, seemed to think on the above lines when he wrote:

"A third powerful factor in the diffusion of communism is the conspiracy of silence on the part of a large section of the non-Catholic press of the world. We say conspiracy, because it is impossible otherwise to explain how a press usually so eager to exploit even the little daily incidents of life has been able to remain silent for so long about the horrors perpetrated in Russia, in Mexico and even in a great part of Spain; and that it should have relatively so little to say concerning a world organization as vast as Russian communism. This silence is due in part to short-sighted political policy, and is favored by various occult forces which for a long time have been working for the overthrow of the Christian Social

Order."

### POPE AGAINST THE NAZIS

While Pope Pius XII would naturally share his immediate predecessor's views above, he himself was very much against the Nazis. And he did not get his information from the media either! He had been Papal Nuncio in Germany from 1917 to 1929 and was able to observe the Nazis rise at first hand. Moreover, while Secretary of State to PIUS XI, he was largely responsible for the anti-Nazi encyclical *Mil Brennender Sorge* ("With Burning Concern") in 1937 though it was actually signed by PIUS XI. He was so good to Jews on the run, even spending part of his private fortune that at the end of the war the Chief Rabbi of Rome Benjamin ZOLLI converted to Roman Catholicism largely because of the Pope, even taking his name "Eugenio" on baptism into the Church. (The Pope was Eugenio Pacelli.)

The Papal Encyclical *Mit Brennender Sorge*, though unquestionably anti-Nazi, did not call for world war against Germany which, incidentally — but you may be sure not accidentally - has worked out largely to the benefit of International Communism and International Jewry neither of whom accept Jesus Christ and the Church He founded. Nor will history necessarily show that Hitler's Germany was responsible for the war. We quote from *The Forrestal Diaries*, published completely by the VIKING PRESS in NEW YORK in October 1951, page 122, diary entry dated 27th December 1945:

Played golf today with Joe Kennedy (Joseph P. Kennedy, who was Roosevelt's Ambassador to Great Britain in the years immediately before the war). I asked him about his conversation with Roosevelt and Neville Chamberlain from 1938 on ..... Chamberlain, he says, stated that America and the world Jews had forced England into the war."

James V. Forrestal was U.S. Secretary of the Navy from 1944 to 1947 and first Secretary of Defense from 1947 to 1949. He was supposed to have committed suicide on May 22nd, 1949; by falling from a 16th storey window from Bethesda Naval Hospital but defenestration is a favourite trick of the KGB. We now return to Ex Chief Rabbi ZOLLI, the "gassing of 6,000,000 Jews" and Pope Pius XII.

### THE ZIONISTS

Ex Chief Rabbi ZOLLI is undoubtedly one of the most famous recent converts to the Catholic Church though little known because of "the conspiracy of silence" cf. the mass media including regrettably much of the Catholic media. Eugenio Benjamin ZOLLI said later, "Judaism has evolved in the last fifty years. The old Messianic faith has changed to Nationalism. Many Zionists no longer hope for a personal Messiah, but say, "We are the Messiahs." (*Arriba* newspaper, Spain, May 18th, 1950).

Perhaps the saintly Pontiff saw the "6,000,000 gassed Jews" as mere wartime propaganda — a "war" alas that seems to be still going on although Germany surrendered unconditionally in May 1945.

Professor A.R. BUTZ has called his book on the "gassing of 6,000,000 Jews" by the Hitler regime *The Hoax of the Twentieth Century*".

Perhaps in saner times, when the media gives information rather than disinformation, future generations will call it

*THE LIE THAT FOUNDERED ON THE ROCK OF PETER*