The Social Crediter, October 30, 1971

ENGLISH EDITION

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

Vol. 51. No. 16 SATURDAY, OCTOBER 30, 1971 7p (1s. 5d.) Fortnightly

America 1971*

The politics of dollars and sense

By GARY ALLEN

(Continued)

Much of the international monetary muddle is a product of our pernicious imbalance of payments. Ever since President Kennedy made that an issue in the 1960 Presidential campaign, politicians have paid lip service to stopping the ever-increasing trade deficits. The Nixon Administration came up with a new strategy—ignore them. As George Shultz, director of the Office of Management and Budget, claimed in May: "Some people think we ought to place the balance-of-payments issue at the top of our priorities. That is an attitude that does not seem acceptable to me." Shultz said he wants "to put the United States first".

Under Nixonian "benign neglect" the payments deficit in 1970 skyrocketed to a record $10.7 billion, which made the deficits in worrisome years past seem puny by comparison. The deficit for the first *quarter* of 1971 was an unbelievable record of $5.5 billion.

The dollars which wind up in Europe as a result of these trade imbalances are known as Euro-dollars, and there are now approximately $50 billion worth sloshing around the Continent which could be turned into the U.S. treasury for gold—except that we only have $10 billion in gold and the boys over there have agreed not to be greedy . . . for the moment. While interest rates were high, many of these Euro-dollars were loaned to U.S. banks, but when interest rates dropped they started flowing back to Europe. The Administration was between a monetary rock and a fiscal hard place. As long as interest rates were sky high, the economy was stagnant. When interest rates dropped, Euro-dollars went back to their adopted homes to create inflation in Europe.

An estimated $20 billion have piled up in West Germany alone—enough to claim every last ounce of American gold twice over. On May 4, 1971, the amount of speculative dollars flowing into Germany caused the *Bundesbank* to refuse to accept any more. Over the next weekend the German mark was set free to float against the dollar—a *de facto* revaluation of the dollar in terms of marks. The significance of this is explained in *U.S. News & World Report* for May 24, 1971:

> *As most experts see it, the upshot of the latest money crisis in Europe will be helpful to business in the U.S. American exports will get a little lift. The flow of imports into this country may be held down a bit. In the wake of this, most American economists and business leaders now believe the U.S. economy will continue to recover from the recession. They expect the rising trend to be fairly vigorous and steady, but with no strong surge before 1972.*

In other words the German leaders, and those who followed them, punished the economies of their own nations to let Richard Nixon off the hook. The Europeans have, at least temporarily, swallowed billions of Mickey Mouse paper dollars and smiled for the cameras. This is something that the "sound money" financial newsletters have for three years been telling us just couldn't happen. Such libertarian advisors have often been right in theory and wrong in their short-term predictions.

We don't pretend to know all the answers. But we do know that the information one needs correctly to predict fluctuations in the current international monetary crisis is not available to anyone outside the circle of *Insiders* who control international banking. The libertarian writers are not wrong because their premises are incorrect, or because they are dishonest or lazy, or because they do not understand economics—but because they refuse to accept the fact that the name of the game is conspiracy. How do you find out what the Rothschild boss in England said to his cousins in France, Germany, and Belgium, or to his representative in New York? How do you find out what David Rockefeller and Richard Nixon talked about on the telephone last night? You can't find out. And, because you can't, you cannot accurately predict what is going to happen in the rigged markets of international finance.

Most of the libertarian seers make the mistake of looking at each country as a separate entity represented by politicians protecting its own national interests. But the *Insiders* and their agents have no such hang-ups. The world is their country, and boundary lines but provide them with opportunities for financial manipulation.

(continued on page 4)

*From *American Opinion*, July-August, 1971.

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Edited and arranged by T. N. MORRIS

£1.10 (£1 2s. 0d.) posted

K.R.P. Publications Ltd., 245 Cann Hall Road, London, E.11

THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

This journal expresses and supports the policy of the Social Credit Secretariat, which was founded in 1933 by Clifford Hugh Douglas.

The Social Credit Secretariat is a non-party, non-class organisation neither connected with nor supporting any political party, Social Credit or otherwise.

SUBSCRIPTION RATES: Home and abroad, post free: One year £2.60 (52/-), Six months £1.30 (26/-).

Offices—
Business: 245 Cann Hall Road, Leytonstone, London, E.11. Tel. 01-534 7395
Editorial: Penrhyn Lodge, Gloucester Gate, London, N.W.1. Tel. 01-387-3893

IN AUSTRALIA—
Business: Box 2318V, G.P.O., Melbourne, Victoria 3001
Editorial: Box 3266, G.P.O., Sydney, N.S.W. 2001 (Editorial Head Office)

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FROM WEEK TO WEEK

Writing in *The New Statesman,* June 5, 1943, the late Professor Harold Laski said: ". . . . The main issue the Left has to decide is when it will co-ordinate its forces for the victory which is its historic right. It can build forthwith a full understanding with the leaders of the Soviet Union and its people; in that event it gives to the revolution a creative power against which the forces of reaction will hurl themselves in vain. . . . . If . . . our leaders do not act while there is still time, we can be sure of only two things; there will be a third world war in our own generation, and the Left will find new leaders more apt to its opportunity."

Commenting on this, the late C. H. Douglas wrote: "Professor Laski appears to have discarded this attitude [the repudiation of any historic continuity in revolution—a connection between the French, German, and Russian Revolutions]. 'The Left' has an 'historic right' to 'victory'. 'It' can do thus and such, 'concluding arrangements with Foreign Powers', and the result be this and that. We have the familiar suggestion of an intangible collectivity which will have its way 'in war, or under threat of war'."

The implied threat as to what would happen "in war or under threat of war"—"large-scale planning" on the Soviet model—was explicitly made in the documents emanating from the semi-anonymous organisation Political and Economic Planning (P.E.P.), which published various reports on planning; these could be made free use of, by various authors and commentators, providing the material used was not attributed to P.E.P.—the technique of "background briefing", where favoured individuals are given access to "secret" material. P.E.P., which was (and is) an offshoot of the Fabian Socialist Society, was active from 1933 onwards.

But the notion of the relation between war and overall planning was foreshadowed by Professor Arnold Toynbee in his article in the Journal of the Royal Institute of International Affairs, *International Affairs,* November 1931. He said: "Refusing to surrender their sovereignty, the local states may continue to collide with each other in war after war, until this political struggle for existence is terminated at length by a 'knock-out blow'. On this alternative, all local sovereign states except one are doomed to forfeit not only their sovereignty but their very existence; for, on this alternative the anarchy will be ended not by agreement but by force; not by the organisation of a pacific League of Nations but by the imposition of a universal Empire through the victory of one militant nation over all the rest."

This seems to be echoed by Mr. Heath who, according to an article by Elizabeth Dobbs in *Housewives Today,* August 1971, "told the Conservative Women's Conference on May 19, if we enter the Common Market we shall achieve, by other means, 'what Napoleon and Hitler failed to achieve'."

There is another horse from the same stable displayed in an advertisement in *New Statesman,* Sept. 10, 1971, in which Edward Hyams writes: "Those who call themselves Socialist yet oppose that step towards unification of Europe to be accomplished by Britain joining the EEC, betray a fundamental principle of all Socialism, Marxist or non-Marxist: the International. The idea of a Socialism which is not supranational . . . is worthless.

"Capitalism has learnt what Socialism seems to have forgotten, that the scale and technological sophistication of modern industry make nonsense of economic, and therefore of social and political, nationalism. . . .

"Refusal to seize the chance offered by joining the EEC to unite the Social-Democratic and Trade Union movements of all Western (and, who knows, later, Eastern) Europe into an alliance strong enough to *take control* of the economy *and therefore of the social and political structures of Europe,* must be seen for what it is: a dangerously short-sighted act of political cowardice justified by nothing but an archaic chauvinism which is the antithesis of Socialism." (Emphasis added.)

Professor Toynbee was addressing a gathering of 'experts on international affairs, and cast his remarks in a somewhat detached and philosophical way, although his constant use of the words "we" and "our" ("I believe the monster [local national sovereignty] is doomed to perish by *our* sword") betrays some sort of inner knowledge. Thus to those in the know, the words "the local states may continue to collide" would read: "*We* will bring the local sovereign states into collision with each other in war after war . . . until *we* achieve a universal empire through the victory of one militant nation." Professor Toynbee was a member of the British Delegation to the Peace Conferences following the First and the Second World Wars; and it is now well recognised that the Versailles Treaty sowed the seeds of the Second War.

Now on the economic, as apart from the political plane, wars are fought for export markets, to gain a trade *monetary* surplus; it is in controlling the international money for which nations fight that the power of bringing them into collision resides. But except for the massive and hypnotic propaganda on the subject of "international reserves", it would be obvious to any objective analyst that it is not necessary to import 'money' to buy one's own production. But so long as it *appears* to be so, manipulation of the "foreign exchange" markets can keep the "local sovereign nations" of the world in a state of turmoil and conflict, until one "militant nation" can effect the conquest of all the rest. Which?

The Second World War was preceded by a period of intensive propaganda in favour of disarmament, accompanied by movements in favour of 'pacifism'; but at the same time, international finance was provided to enable Germany to

re-arm. And now we are seeing precisely the same phenomenon—talk of peace and disarmament, accompanied by the arming of Soviet Russia to a point where Russia is officially stated to have *absolute* military superiority over Europe.

This situation has been discussed in some detail in these pages, and some relevant commentaries are now available in booklet form.* But time has now run out—unless Parliament exerts its 'supremacy' to prevent the British Government's signing the Treaty of Rome, thus "refusing to surrender" British local national sovereignty. It appears to be almost certain that the fate of the world will now be decided in the British House of Commons, with *perhaps* a second string to the bow in the House of Lords. If Members of Parliament cannot recognise that Laski, Toynbee and Hyams —to mention only those covered in this note—are all speaking to the same brief, then it really does seem that the last hope is gone. It is doubtful whether Mr. Heath is *consciously* speaking to the same brief; he seems more to have come under the influence of that group—of which Professor Toynbee is one—associated with the Foreign Office and International Finance (recall his connection, culminating in a Directorship, with Brown Shipley & Co.) to which A Student of Politics referred (*Spectator*, July 17, 1971).†

It has been a constant theme in these pages that over the past several years we have been approaching the culmination of a conspiracy to establish the World Rule of a World Government; and so far as anything can be said to be certain these days, it does appear certain that we have reached it. We are on the brink of a world tyranny reinforced by undreamt of advances in technology, and the decisive date and place appear to be "late October" in the House of Commons.

But if Mr. Hyams—for example—really believes that "the workers" will form or control the hypothecated World Government, let him contemplate this extract from an article ("Do we win or lose the War?") from *America Preferred* (April 1943): "The international bankers recognise that internationalism stems from collectivism, just as economic nationalism stems from individualism, but the bankers have no intention of yielding the control of the collectivised and socialised state to the 'proletariat', and there is no reasonable ground for supposing that they will be required to do so. With a proper understanding for the lessons of history, they realise how absurd is the 'dictatorship of the proletariat'. That is the reason that international bankers are so generous with their subsidies to international communism." Mr. Hyams rightly observes (*op. cit.*): "The great supranational business and industrial corporations are steadily creating a mighty International, transcending the little patriotisms, the absurd frontiers, the mutual spites, and all the other debris of the brave, unhappy past; but in the interest of their greater power. In the EEC they are building a capitalist fortress. We are offered what we can make into a chance to take it from them, to use its structures for our own ends . . .; and to realise the long vision of Socialism." Well! Lord, what fools these bankers be!

*"*Under Threat of War*": *Sovereignty and the EEC*: K.R.P. Publications. Publications. 15p (3/-) posted.

†See *Whiteprint for Betrayal*: K.R.P. Publications. 8p posted.

(To expose the immediate danger to British national sovereignty through absorption in the European Community these two booklets were published, as a matter of urgency, specifically for United Kingdom distribution with reduced prices for quantities. — Ed. T.S.C.)

Tradition, Family, Property

The Brazilian Society for the Defence of Tradition, Family and Property (TFP) aims to safeguard the fundamental values of Christian Civilization "against the undermining of socialism and the brutal assault of communism", and guards particularly against the ideological penetration of so-called Christian progressivism. The TFP has attracted thousands of dedicated young men.

It campaigned against the "cubanizing" of farms and the changes were held over. It also asked the Catholic Action of Belo Horizonte to define its aims, presenting a petition signed by over 200,000 Catholics, and had a decisive part in deposing the "pro-communist" President Goulart. On that occasion "various leaders of the Catholic left fled hurriedly from the country".

TFP went into action again against the subversive document of Father Comblin, a professor of the Recife Theological Institute, and collected no less than 1,600,000 Brazilian signatures and 400,000 from Argentina, Chile and Uruguay against "the growing communist infiltration into some Catholic circles". Over 800 attempts were made to sabotage the collection of signatures, nearly half of them ascribed to clergy and religious groups, the rest to organised leftist groups.

These events of 1968 were followed in 1969 by a bomb that half destroyed the headquarters of TFP in Sao Paulo. Three days later, TFP distributed a special issue of *Catolicismo*, a monthly under the auspices of Bishop Castro Mayer, denouncing agencies that were infiltrating the Church and insinuating atheism under the cover of "demythification" etc. Later, TFP set up an oratory on the spot where the bomb exploded.

The society, which proclaims, "our strongest weapon is prayer", celebrates Masses for the liberation of those enslaved by Red Tyranny, attended by delegations in their national costumes. The members do not attack, but they do not retreat and know how to defend themselves. They have regional offices in eleven Brazilian states, but have no "linkings" with Government, Church or political parties. Professor Oliveira, the founder, organises many courses for the young, and the students "live deeply the Christian principles they defend".

Argentina, Uruguay, Colombia, Venezuela, Ecuador and Chile have similar active movements. The Argentinians challenge the Peronist leaders, and in Chile they oppose policies of President Frei. In Colombia they deal with the Padres de Golconda, leaders of the "revolutionary and subversive struggle". The Bishop of Campos, Msgr. Meyer, supports TFP in his orthodox Catholic writings. Their standards bear a golden lion, "symbol of a bold and loyal struggle". They believe in victory, because "Christ promised that the gates of Hell should not prevail".

TFP gives this information about itself, briefly condensed, and issues press releases. In No. 7 for 1971, we read that Brazil opposes the admission of China to UNO because the country is a "disturber". A commercial mission sent to Brazil was expelled because it was not so interested in commerce "as in contacting and aiding some radical groups of communist terrorists". They do not expect the country to change its style of "diplomacy".

—H.S.

"Behavioralism" and Culture

Last year, *The Social Crediter* (October 17, 1970) made the following observation: "We have, for practical purposes, been through the Orwellian (*1984*) phase; the future begins to look more like Huxley's *Brave New World*."

As if to make this point explicit, B. F. Skinner, who "has long been considered the world's foremost behavioral psychologist", has written a tract entitled *Beyond Freedom and Dignity*. Among Skinner's earlier achievements are the "teaching machine" and the programmed learning technique. However, in this latest endeavour, the euphemisms "teaching" and "learning" seem to have been abandoned in favour of blatant advocacy of indoctrination by conditioned response.

According to *Newsweek* magazine (September 20, 1971), Skinner's thesis is quite straightforward:

> In place of "autonomous man . . . the man defended by the literatures of freedom and dignity", what Skinner proposes is a vast, all-pervasive institutional system of behavioral controls, designed to reinforce altruistic behavior and, by the same token, to eliminate such undesirable, selfish "behavior" as pollution, war, and over-population. "We must delegate the control of the population as a whole to specialists," Skinner argues.

Newsweek correctly identifies Skinner's inspiration at one level as "puritanical" ("the conviction that nobody can be trusted to manage his own affairs"); beyond that, the nature of its source is a matter of speculation. However, we are admonished elsewhere that "by their fruits shall ye know them", and thus we are directed to look at results. The result of Skinner's proposal would be the complete demolition of personality, in the name of what he calls "cultural design". In this, his thesis is not only anti-cultural, but anti-Christian. It is materialism brought to its perfection: spiritual vacuity.

Those who have not read *Brave New World* are now directed to it as a prospectus.

—DENNIS KLINCK

America 1971

(*continued from page 1*)

Theoretically the public *could* stampede in one direction or the other, with the international financiers and their operatives in the various governments of the world losing control of the situation as a result. But that is not likely while *Insiders* control the mass media so as to manipulate public psychology. Why doesn't someone blow the whistle? Those who have dared to try were so smeared that no one would believe them. Besides, the rewards for not doing so are enormous.*

Then there is the case of South Africa. The financial advisors claim to believe that the doughty South Africans are pitting their production of gold against the paper currencies of the world. But the bulk of South African gold production is controlled by the *Insiders* of international finance through their front man Harry Oppenheimer and the American-South African Corporation. These same *Insiders* also control the London bullion market and a vast network of mass media—so they have an excellent opportunity to yo-yo gold prices by turning the international money crises off and on at will. Here is how economist Richard Johnson puts it in his financial advisory:

> *This is just as good a place as any to set the record straight about South Africa. You read that South Africa is withholding Gold from the market to try to keep the price up, but nothing could be farther from the truth. South Africa had in her official reserves, at the beginning of 1968, $1,350,000,000 equivalent U.S. Dollars of Gold on hand. Since then all of her new production of Gold (one billion annually) has been sold, and her official reserves of Gold at the end of 1970 were $680,000,000. In other words, she has sold $570,000,000 [42 percent] in Gold out of her official reserves in three years. The domestic press apparently does not want this clarified.*

Libertarian financial counselors ignore the pervasiveness of *Insider* control over money matters in Europe, Southern Africa, and America—apparently believing that to admit the existence of a conspiracy refutes their belief in the free market system. Nothing could be further from the truth. The *Insiders* operate through governments and can exist only because their power over those governments is not widely exposed. They are *not* free enterprise businessmen, but conspirators working to use the governments which they control to establish world-wide monopolies.

What is happening is clear enough. *Barron's*, the authoritative New York financial newspaper, reports in its issue for March 15, 1971:

> *Lately the spate of forebodings and warnings, public and private alike, has swelled into a flood. Thus, at a recent meeting in New York City, Gilbert de Botton, general manager of the Rothschild Bank of Zurich, gave a remarkably candid appraisal of the international outlook for the dollar. Highlight of his remarks was his open admission that the Swiss bank of the Rothschild group, which he heads, "feels obliged, at no small cost, to cover, in the foreign exchange market, our long positions on the dollar". Monsieur de Botton went on to say: "The last thing we want or expect is that the monetary edifice will burn down . . . ."*

(*To be continued*)

*Numerous bureaucrats from the Johnson Administration were rewarded for their services by being made partners in international banking firms. George Ball went to Lehman Brothers; former Secretary of the Treasury Henry Fowler to Goldman, Sachs; Secretary of Commerce C. R. Smith, Undersecretary of Treasury Frederick Deming, and Budget Director Peter Lewis all went with the Rothschild firm of Lazard Freres. These are the men who presided over the stripping of the United States of half its gold and all of its silver. They were either the most incompetent men ever to manage our money or else they were very adroit agents of the *Insiders*.

Would these international banking firms have hired such bumbling incompetents?

UNDER THREAT OF WAR

By B. W. Monahan

Particularly designed to expose the immediate danger to our national sovereignty through absorption in the European Economic Community.

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K.R.P. Publications Ltd., 245 Cann Hall Road, London, E.11

Printed by Circular Press Limited, Colwyn Bay