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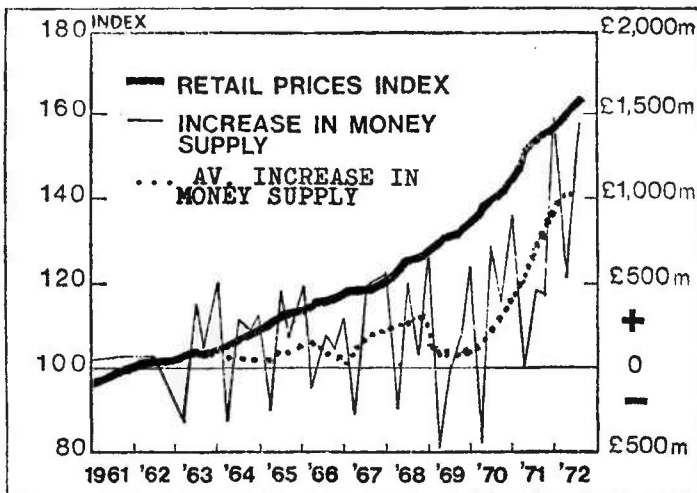
SATURDAY, OCTOBER 28, 1972

ENGLISH EDITION

Mr. Powell and The British Crisis

The London *Sunday Telegraph* of Sept. 17, 1972, published a graph purporting to show "just how closely linked the rate of inflation and money supply are". The original graph, with an approximate *average* variation in money supply super-imposed, is reproduced herewith. The money supply increase originally shown resembles a diurnal temperature chart of a nasty disease; and if one did not know, one might wonder whence the 'supply' suddenly appears, and to where it as suddenly vanishes. (This see-saw variation in the money supply is itself a generator of inflation, but as there is a more fundamental cause of inflation this mechanism is not analysed here.)

On the other hand the Retail Prices Index shows an almost linear increase from 1961 to 1967 of about 3.5 per cent. per annum, and from 1967 onwards an almost linear increase of about 8 per cent. per annum. Government 'policy' seems to be without effect, change though it may (freeze or stimulate).



THE chart shows just how closely linked the rate of inflation and money supply are. Thus it is hardly surprising that, against a background of urgent Bank of England warnings, concern from the I.M.F. and urgings of stronger action from Mr. Reginald Maudling at the end of last week, there were clear signs that the Government was at last trying to slow the rate of increase in money supply.

This graph confirms the observation made in the notes in our issue of 19th August, 1972 that "a fall in the purchasing power of the unit of money requires an increase in the number of units required to shift a CONSTANT volume of production".

Failure to recognise this fundamental fact vitiates almost every argument concerning inflation. Thus Mr. Enoch Powell, in a speech made at Leamington on Sept. 18, 1972, said: "So it is agreed that all inflation is caused by governments; or putting the same thing negatively, there would be no inflation unless governments caused it". Presumably this is what Mr. Powell himself believes; yet the statement in either form is false. Inflation is caused *fundamentally* by the progressive accumulation of capital charges—that is to say, charges included in costs to represent the depreciation and/or obsolescence of plant and buildings employed in production. Now the continued operation of the economic system under standard methods of accounting depends on the continued solvency of industry—at a minimum, the recovery of all current disbursements *plus* a charge on account of depreciation. If we assume a constant number of people employed at constant wages, but the quantity of plant (factories and machines) to be increased, or the replacement of obsolescent machines to be more costly than the original machines, the ratio of total charges to total wages will increase, and hence a greater volume of money will be required to shift even a constant volume of production—an inevitable consequence of standard cost-accountancy. This, of course, is the basis of Keynesian economics, where the volume of money is expanded and 'spent' into circulation by such means as financing public works by an expansion of credit. But of course wages are not constant, and increases have to be recovered, if industry is to remain solvent, by an additional increase in prices. This, of course, accelerates the expansion of the money supply *if the same volume of production (and distribution) in physical terms is to be maintained*. If it is not, unemployment and depression ensue.

Thus the problem of inflation is fundamentally an accountancy problem, and a solution involves a change in the system of accountancy. At present, expansion of the money supply is achieved by methods which increase capital costs—service charges on increased industrial equipment and on public works, and increased taxation to repay the 'loans' which are the source of the increased money supply. But a true alternative is possible—the use of an expansion of the money supply to *reduce* prices to the consumer by neutralising the capital charges in prices. Thus this money would not 'circulate' in the conventional sense, 'causing' inflation, but would pass directly through industry's accounts and cancel industry's debts proportionally to the use of its assets being itself cancelled as *purchasing-power* in the process. For every item of plant represents a debt, either to share-holders or to a financial institution, which must be repaid or the money used to maintain or replace the capital equipment. Furthermore, if, by this method, price reductions were brought

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Saturday, October 28, 1972

FROM WEEK TO WEEK

It is probably the system of vicious and premeditated indoctrination (including sex)—brainwashing—, miscalculated education, which has enabled us to progress to our present condition of extreme danger. If the present state of the world had come on us suddenly at the time when moral values were at least acknowledged, when patriotism was as ingrained as the love of a child for its parents, when the spirit, if not the practice, of religion gave a depth of significance to the meaning of an individual's life, no doubt there would have been an instinctive revolution of revulsion against the brutality, corruption, violence and anarchy which now engulf us. But the progress from where we were to where we are has been too insidious, while the slow but accelerating indoctrination (and drugging) of our children has produced a generation of dull disbelief in the evidence of conspiracy now so abundantly available.

In an article in the *Daily Telegraph*, September 7th, 1972, Sir Robert Thompson wrote: "Hanoi's *Russian* (emphasis added) 130 mm guns literally shredded the civilian refugee columns fleeing from Quang Tri in May and killed or wounded over 20,000 of them. This was the most calculated act of butchery during the whole war. Such tactics, combined with 36,000 selective assassinations in the past 12 years, are designed, through terror, to soften the will of the people to resist. Hanoi is following Mao's infamous doctrine that there should be no concern for 'stupid scruples about benevolence, righteousness and morality in war'

. . . . Col. Tran Van Dac, a North Vietnamese officer who defected after 24 years in the Communist party, stated that the Communists, if they win, will slaughter up to three million South Vietnamese, and another colonel, Le Xuan Chuyen, who defected after 21 years, stated that five million people in South Vietnam were on the Communists' 'blood debt' list and that 10 to 15 per cent. of these would pay with their lives."

The war, conducted jointly by the U.S.A. and the Chinese and Russian Communists against the people, institutions and monuments of all Vietnam, deliberately sustained year after year, has been a major factor in destroying what used to be called the conscience of mankind, and has accustomed the

peoples of the world for the ruthless tyranny which is being prepared for them, and which is presaged by the now *open* collusion between Washington, Moscow and Peking. Great political scandals in the U.S.A. are now tolerated with apathy—"politics".

Anthony Sutton, a Research Fellow at the Hoover Institute on War, Revolution and Peace, has published three volumes representing 10 years research on Soviet technology. In testimony delivered before the recent G O P Platform Committee hearings at Miami, Fla. recently, and printed in *Human Events*, Sept. 9, 1972, Mr. Sutton stated: "Almost all—perhaps 90-95 per cent.—of Soviet technology came directly or indirectly from the United States and its allies". He gives details of enormous industrial plants built to U.S. specifications with U.S. technical and financial assistance, and states categorically that about two-thirds of the 6000 ship Soviet merchant marine were built outside the Union, and four-fifths of the engines of *all* the ships. And of course, U.S. agricultural produce has sustained the Soviet economy from the beginning. "The United States is spending \$80 billion a year on defence against an enemy built by the United States and Western Europe. Even stranger, the U.S. apparently wants to make sure this enemy remains in the business of being an enemy."

In short, the U.S.A. and the USSR—and Communist China—are only administrative divisions of one World Government—or, as Professor Toynbee calls them, "public utilities", envisaging, with Mr. Heath, Britain's reduction to the same status. The 'war' in Vietnam is but the prologue for the spread of World Government by terror (just think of *its* "blood debt" list) until the overt supremacy of that Government is established and acknowledged. And of course submerging Britain in the Common Market is a preliminary part of the same process.

Even before the Second World War, having served its immediate purpose, was brought to a conclusion, the late C. H. Douglas saw what was coming and what had to be done if we were to survive. The criminals—some of the most *apparently* respectable men on earth—had to be sought out, brought to trial, and punished. And probably life imprisonment in a maximum security prison as common criminals would be a more condign punishment than the ordinary penalty for treason. Does Mr. Heath repudiate Professor Toynbee?

We point out, for the record, that the Heath Administration's "freeze without squeeze" plan to restrain inflation—which the Chancellor of the Exchequer is reported as saying would cause Britain's economic suicide if not halted—cannot work, for reasons discussed elsewhere in this issue. There may be some short-term variation in the trend of upwards inflation, but only at the cost of worse trouble in the future. On the other hand, in the present climate of opinion in Britain, aggravated by the arrogance of the Administration and the catastrophe of altogether excessive immigration, unsuccessful economic measures may precipitate very real and immediate trouble.

As we said long ago (see *The Survival of Britain*), the only hope is repentance by the Conservative Party for continuing "the policy pursued by successive Governments", and a determination at any cost to rectify a demonstrably faulty financial system and to modify employment policy in accordance with the realities of the modern industrial system

(see *Social Credit and the British Crisis*). To do this would be dangerous, but would have some hope of success; not to do it will certainly mean the end of the British as a people. To argue about this at this stage is futile; if the realities of the situation do not speak for themselves, mere words will not save us.

Highways and Hedges

The reader has to go out into the highways and hedges to find news and opinions that do not conform with a one-world vaguely communistic outlook. He will find startling news in Harvey Ward's *World Survey* of July 30, 1972, where he will learn not only of barbaric attacks on police in Argentina but of support given to the killers by religious groups. In Santiago, Chile, priests, laity and pastors met under the chairmanship of the Archbishop of Cuernavaca, Mexico, Msgr. Arceo in a "meeting of Christians for Socialism" at which an alliance was proposed "of revolutionary Christians and Marxists" to liberate the continent. I cannot imagine how they equate Marxism with liberty. A Peruvian newspaper called them "Marxists in cassocks": duped or infiltrated, they advanced the cause of their country's enemies. (*Pravda* insists that communists be "militant atheists". *Daily Telegraph*, Sept. 16, 1972)

The World Council of Churches protests against certain countries, such as South Africa and Rhodesia, but keeps silent about the trial of "Pastor Jaromir Dus of the Czechoslovakian Brothers Evangelical Church" on the charge of subversion. The Dean of Johannesburg's trial took place at the same time as the trial in Moscow of Vladimir Bukovsky who told journalists of ill treatment given political non-conformists in Russian "psychiatric hospitals", but the World Council of Churches made no protest, despite a terrible sentence.

Mr. Powell might not be called a hedge politician, but his views conflict with those of the parties on immigration and on Europe, for instance. While Mr. Walker, the Environment Minister, blandly tells the churches to take one immigrant apiece (*The Times*, Sept. 13, 1972), Mr. Powell points out that the Government's tactics might have been devised "to humiliate the people of this country and show complete indifference to their interests, feelings and wishes". We hope he is right when he says that "a hidden spring had been touched" by the proposed Ugandan influx and that millions of people "did know and did care what was happening to their country already and what would happen to it in the future".

The bishops have remained as indifferent to the indigenous population as has Mr. Walker or any other establishment member; their charity does not reach the displaced English: I met an elderly lady recently who complained that her native part of London was "flooded out" with immigrants and so she had left her home. The Archbishop of York did not offer her hospitality but she found a refuge with relatives, and the Ugandan Asians, and *a fortiore* any other Asians, should gravitate to the home of their own culture on the Indian subcontinent.

The politicians, who have so grossly mismanaged these problems and have exposed their own constituents to harassment by influx from other cultures will doubtless shelter be-

hind the British Council of Churches and the Archbishop. For (*Church Times*, Sept. 8, 1971) they will read with satisfaction that "The British Council of Churches has this week paid tribute to the British Government's handling of the problem of the Uganda Asians" and that "a tribute to the British Government for its courage" was included in the Archbishop of Canterbury's statement, released simultaneously with the statement of the BCC. The World Council of Churches has "agreed to make money available to Britain, if needed" to help in the resettlement of the Asians. No crumb of comfort for our own natives.

—H.S.

Who They Are*

THE CONSPIRACY TO DESTROY AMERICA

By GARY ALLEN

When Congressman John Schmitz announced to reporters that he would seek the American Party's nomination for President of the United States he said one of his reasons for doing so was to expose the fact that both the Republican and Democrat parties are controlled by a single conspiratorial apparatus. The Congressman, who has since been nominated for President by the American Party, has yet to have a press conference which has not begun with questions about some mysterious "they," and what "they" are trying to accomplish with their "conspiratorial apparatus." This is akin to being asked to summarize the *Encyclopaedia Britannica* in fifty words or less.

Because of the importance of this matter, however, Congressman Schmitz agreed to a series of lengthy interviews with AMERICAN OPINION, and we have with his help compiled a list of key organizations through which the conspirators about whom he speaks are currently operating. A multi-volume encyclopedia would be required to provide anything but the barest outline of this conspiracy and the activities of the *Insiders* who run it, but we believe that the following outline represents an important beginning. Those who wish to probe deeper are invited to consult the bibliographic material cited in the course of the outline commentary which follows.

COUNCIL ON FOREIGN RELATIONS

This organization, headquartered in New York City, is composed of an elite of approximately 1,500 of the nation's Establishment *Insiders* in the fields of high finance, academics, politics, commerce, the foundations, and the mass media. The names of most of its members are household words, but few ordinary Americans have ever heard of this elitist organization, and even fewer are aware of its goals.

Despite the fact that the key moguls of the mass media are members of the C.F.R., its first fifty years of existence went unmentioned except for a single article in *Harper's*, a feature in the *Christian Science Monitor*, and an occasional perfunctory announcement in the *New York Times*. Such anonymity can hardly be accidental when it is recognized that the membership of the Council on Foreign Relations includes top executives from the *New York Times*, the *Washington Post*, the *Los Angeles Times*, the Knight newspaper chain, N.B.C., C.B.S., *Time*, *Life*, *Fortune*, *Business Week*, *U.S. News & World Report*, and many others.

*From *American Opinion*, October, 1972.

For several years now a handful of Conservative authors has been laboring to expose the activities of the C.F.R. Until recently these efforts, though cumulative, could be ignored. About a year ago, however, it began to be apparent that George Wallace was planning to seize upon the Council as an electoral issue. Obviously anticipating this, two very similar articles on the C.F.R. appeared in the *New York Times* and *New York* magazine. The strategy was to admit that the Council on Foreign Relations has long acted as an unelected secret government of the United States, but to maintain that it has voluntarily withdrawn to the sidelines for reasons of altruism. Still, as John Franklin Campbell put it in *New York* for September 20, 1971:

Practically every lawyer, banker, professor, general, journalist and bureaucrat who has had any influence on the foreign policy of the last six Presidents — from Franklin Roosevelt to Richard Nixon — has spent some time in the Harold Pratt House, a four-story mansion on the corner of Park Avenue and 68th Street, donated 26 years ago by Mr. Pratt's widow [an heir to the Standard Oil fortune] to the Council on Foreign Relations, Inc

If you can walk — or be carried — into the Pratt House, it usually means that you are a partner in an investment bank or law firm — with occasional "trouble-shooting" assignments in government. You believe in foreign aid, NATO, and a bipartisan foreign policy. You've been pretty much running things in this country for the last 25 years, and you know it.

The Council's leaders, and most of its members, are affluent New Yorkers from the financial and legal communities — the establishment hearland

Anthony Lukas, writing in the *New York Times* magazine of November 21, 1971, also admitted that the *Insiders* of the Council have been responsible for our disastrous foreign policy over the past twenty-five years. Mr. Lukas observed:

From 1945 well into the sixties, Council members were in the forefront of America's globalist activism: the United Nations organizational meeting in San Francisco (John McCloy, Hamilton Fish Armstrong, Joseph Johnson, Thomas Finletter and many others); as ambassadors to the world body (Edward Stettinius, Henry Cabot Lodge, James Wadsworth and all but three others); the U.S. occupation in Germany (Lucius Clay as military governor, McCloy again and James Conant as High Commissioners); NATO (Finletter again, Harlan Cleveland, Charles Spofford as U.S. delegates).

For the last three decades, American foreign policy has remained largely in the hands of men — the overwhelming majority of them Council members — whose world perspective was formed in World War II and in the economic reconstructions and military security programs that followed The Council was their way of staying in touch with the levels of power

"Liberal" columnist Joseph Kraft, himself a member of the C.F.R., noted of the Council in *Harper's* for July of 1958: "It has been the seat of . . . basic government decisions, has set the context for many more, and has repeatedly served as a recruiting ground for ranking officials." Kraft, incidentally, called his article "School For Statesmen" — an admission that the members of the Council are drilled with a "line" of strategy to be carried out in Washington.

(To be continued)

Mr. Powell and the British Crisis (continued from page 1)

about, overall wage increases would no longer be required merely to maintain existing standards, as they are at present.

This note concerns only the basic principle of what is involved in the subject Mr. Powell discussed. He ended his address by saying that his purpose was "to show what momentous deductions flow from a seemingly technical economic issue, and how deeply our lives and our futures may be affected according to the sense in which it is resolved".

Mr. Powell was speaking of a dichotomy between a policy "of systematic control of incomes and prices" which, he says, must inevitably lead to totalitarianism—and to which the Heath Administration is now apparently committed "for twelve months"—; and a policy by which government has the responsibility, through Parliament, "for so managing public finance that the bargains and decisions of the citizens, individually or in corporate bodies, are made in terms of stable or depreciating money, as may be desired". This latter, of course, is what governments are supposed to have been doing throughout the post-war period, in most countries of the Western world, and with the result shown in the graph—*continuous* inflation. "By their fruits shall ye know them."

Now, as the late C. H. Douglas observed, anyone with an incomplete case always affords an opportunity to someone with a more complete case. Mr. Powell's case is incomplete on two major counts: (1) The financial system does not operate in the way he assumes it does, for the reason analysed briefly above; but of course this is the nearly universal misconception. (2) The financial system is leading to totalitarianism—not because *nobody* knows how to reverse this development, but because those ultimately in control of national finance—the *international* financiers—intend it that way. This latter statement was at one time a deduction from observed facts (chiefly the obstruction offered to financial reform); but it is now established by documentary proof, which can be found in Professor Carroll Quigley's *Tragedy and Hope*, and is summarised in W. Cleon Skousen's *The Naked Capitalist*. In any case, surely, on careful consideration, it should strike Mr. Powell that different though the fundamental, or physical, economic situations are as between the U.K. and the U.S.A., the economic problems—and suggested remedies—are the same: intractable unemployment and continuous inflation, and attempts to deal with these, in scientific economic terms, "freezing", "squeezing", or "stimulating", or some combination of these.

Mr. Powell is evidently considered to be by and to the Establishment a menace; but a menace which can be contained just because his case is incomplete—indeed, partly fallacious. This situation might be radically altered if he rectified and expanded that case, and exposed it *in toto* from his wide-spread platform, including Parliament. We pray that he will, soon, before it is finally too late for anything but ultimate consolidation of totalitarianism, as it is intended that it should be.

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