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The Use of Social Credit

Preface

The article which follows was first published in *The Rotarian* in 1935. It was republished in *The Social Crediter* in 1946 with an editorial note saying that it was republished to provide a standard of reference by which readers might judge the likelihood of a policy of rising prices, increased exports and immense bureaucratic and administrative costs culminating in anything but the catastrophe which its analysis suggested.

But even since 1946 there have been important developments in what has become known as economic management, which have postponed, but not averted, a now imminent catastrophe. It has all been a matter of preparation to take advantage of the catastrophe when the time was ripe. From this point of view it is quite simple to see why American resources and other industrialised countries' resources have been poured into Communist Russia—to maintain a credible threat of war as an alternative to submission to a New World Order. This also relates to the forecasts by Professor Arnold Toynbee *et al.* (see accompanying republished article "Prophetic Doom").

What we have suffered since 1946 has been an 'adjusted' inflation through the application of Keynesian economics, which were expressly designed to combat the Social Credit analysis and proposals. This enabled the development of a New World Order of international cartel industrialisation while, through penal taxation and continuous inflation, extracting from individuals the potential savings which would gradually have emancipated them from slavery through Full Employment. The industrial development having been accomplished, inflation has been allowed to race out of hand to become an 'international disease' and Public Enemy No. 1, or, in Lord Rothschild's words, "that neo-Hitler, that arch enemy . . . the most formidable enemy this country has ever encountered. . . ." Thus what individual savings have been accumulated are being deliberately destroyed by 'credit squeezes' and 'tight liquidity', etc., resulting in collapsing stock-markets so that the real assets of industry can be acquired and monopolised by the creators of credit—the internationalised Central Banks under the aegis of the World Banking institutions.

The elimination of inflation, technically simple, requires first the politically difficult elimination of the Power Complex whose primary weapon, for the short present, is inflation and confiscation of private

property via Wealth Taxes. But an attempt to implement a solution to inflation might force a disclosure of the political intent of the Power Complex, and the dissipation of its power.

The Use of Social Credit

By C. H. DOUGLAS

An economist is in some sense a professing doctor—sometimes, perhaps, a witch doctor—of the Body Politic. If I were asked to define the difference between a witch doctor and a modern physician, I should say that fundamentally a witch doctor accepts the diagnosis of his patient as the description of the disease from which he suffers, and the modern physician does not. Since the patient, though suffering from heart disease, quite possibly states that a "Devil" has bewitched his breathing, the Witch Doctor resorts to spells, frequently of an alphabetical nature, while exhorting his victim to exertions which a physician would condemn. Much the same distinction may be drawn in regard to the diagnosis and treatment of trade depression. The idea that unemployment is a defect of the economic system and that the present distresses of society flow from it, and can only be cured by its elimination, is both unscientific and incorrect. The sound economist observes that the best scientific, engineering, organising and administrative brains are continuously endeavouring to achieve a given amount of work with a diminishing amount of human labour, and that, therefore, an increase of leisure is both certain, and from their point of view, highly desirable. When he hears that the prime requisite for a restoration of prosperity is a restoration of confidence, he examines the nature of confidence, and finds that it grows from the experience that an intelligent line of action will always lead to a desired result, and he concludes therefore, that confidence follows experience, and does not precede it. When he observes that the modern production system produces more than is sold although there are still numbers of the population of modern producing countries in drastic poverty, he does not conclude that the output of the production system should be reduced in order that it may correspond with the amount that can be bought, but he says that the amount that can be bought should be increased.

Proposals for the use of Social Credit as a remedy for the present ills are not primarily concerned with the production side of business. Probably the greatest body of expert knowledge in the world is concentrated in the production system in one form or another, and this body of opinion may be left to continue its undoubted success in

the past. But when we come to consider the distribution of the product, we are met with a less satisfactory situation. The phrase of "Poverty amidst plenty" has become enshrined amongst the clichés of the English language. Social Credit, in consequence, is primarily concerned with the distribution, and not with the administration or technique of production. Its problem is poverty, not plenty, and poverty consists of lack of money, the essence of money being credit—the belief that money will do what it is supposed to do.

Economic production is interlocked with the distribution of money through the agency of wages, salary and dividend. The existing financial system stands or falls by the perfectly simple proposition that the production of every article distributes enough money to the general public to buy that article. The orthodox economist says it does, the Social Engineer says it does not. The Socialist complaint against so-called capitalism is that money has been distributed inequitably, that is to say, that some people, the "Capitalists", get too much, and some, the "Workers", get too little. Hence the Socialist is permanently committed to a policy of "soak the Rich". It is a primary tenet of Social Credit theory that though this unequitable distribution may exist, it is a secondary consideration to the fact that not enough money is distributed to buy the goods that are for sale, and that in consequence redistribution is not an economic remedy, whilst being a political irritant of a high order.

The first point which may raise in our minds a legitimate doubt as to whether the orthodox economist is quite right in regard to this matter is that the business of making money, and the business of making goods or growing food, have no ascertainable relation to each other. Of course, the manufacturer, the trader, or even the farmer, sometimes talks about "making money". They never make money. They merely scramble for the money which is provided for them in varying quantities and under varying conditions by the bankers, with or without the assistance of the State. It is a little difficult to pin the banker down as to his own conception as to his position in the community. If he is accused of providing an unsuitable amount of money, and thus causing business depressions, or, to a less degree, frantic booms, he retorts that he is merely a business man and knows nothing about economics, a claim which he can generally substantiate. If, on the other hand, he is accused of missing a business opportunity which he does not wish to pursue, he is a little apt to retire behind a high moral obligation to the community. The point on which he is quite firm is that the initiative of decreasing or increasing the amount of money in circulation is his prerogative, and that if production or consumption are out of step with it, that is just too bad.

Now the fact that the banker can increase or decrease the amount of money in circulation with results which, though they may be satisfactory to himself, are somewhat tragic to the community, has tended to obscure the fact that we have no record anywhere of a satisfactory distribution of consumable goods to the extent that they can be produced, except in a time of expanding capital production. To put the matter in its shortest possible form, we have no evidence that in modern times the price system is self-liquidating and every evidence to show that it is not.

The theory of this proposition is somewhat complex and

highly controversial, but the inductive proofs of it are endless. One of the more obvious is contained in the constant rise of debt, stated by the Technocracy Group to be at the rate of the fourth power of Time, one hundred years being taken as a unit. Another equally conclusive indication of the immense excess of price values over purchasing power may be derived from examining the assessments for Death Duties in Great Britain and elsewhere, in which it will invariably be found that an estate alleged to be worth, let us say £100,000 and taxed in money upon that sum, consists only to the extent of two or three per cent in purchasing power, the remainder of the estate being assets of one kind or another which have price values attached to them, and require purchasing power to buy them. It is significant that in England eight years are allowed in which to pay Death Duties. It should be noticed that this confusion between assets having a price value placed upon them and purchasing power which is required to meet those price values (as if these, instead of being exactly opposite in nature, were similar) is one of the commonest sources of confusion in discussions of the money problem.

Now just as a man is taxed upon his assets and has to pay the tax in money which is purchasing power, although those assets do not grow money, just so do the price values of industrial assets enter into the price of the goods which are sold. And the first objective of Social Credit is to provide sufficient money to meet these charges which occur in ultimate products as the result of the existence of industrial assets. One of the methods by which it is proposed to do this is to take the charge for industrial assets out of prices and pay it direct to the owner of the assets. Instead of taxing him in money for the possession of industrial assets we should, on behalf of the consumer, pay him for the use of them. That is not essential to the theory, but it is a quite possible way of dealing with the situation. The real beneficiary, it should be noted, is the consumer, who gets lower prices.

While a scientific regulation of the price level so that goods can be taken off the market by the available purchasing power as fast as they are produced is an essential component of a scientific money system, it does not deal with the second aspect of the problem, which fundamentally is related to the change over from manual production to power production. Probably over 80 per cent of the total number of issues of purchasing power distributed in our existing financial system, is distributed through the agency of wages and salaries and it is obvious that this assumes that 80 per cent at least, of the population will be maintained on a wage or salary basis.

But there is no ground for the common assumption that such a percentage can, or will be maintained in normal times, and every ground for assuming that it will decrease continuously.

On the other hand, the dividend system is independent of employment, and depends fundamentally, only on production. If we can arrange that while the wage and salary pay roll becomes continually less, the dividend pay roll becomes continually greater and more widely distributed, we have dealt with the second half of this problem.

There are two ways of looking at these aspects of the matter. The first is moral or ethical, and is probably the

less important, since we are less sure of our ground. Due very largely to a mistaken and mischievous Puritanism, probably having a common origin with Marxism, there is a widespread idea that no one should obtain a living without working for it, and it is noticeable that those who do, in fact, obtain a very handsome living without working for it, are most vigorous in their determination that there shall be the minimum extension of the principle. The moral or ethical justification for a National Dividend, however, rests on the same basis (a sound basis) on which those fortunate persons who do obtain a living without working for it, ground their claim, that is to say, on the possession of property. The property that is common to the individuals who make up a nation is that which has its origin in the association of individuals to a common end. It is partly tangible, but is to a great degree intangible, in the forms of scientific knowledge, character, and habits.

The extent to which this national heritage can be made to pay a dividend in money to the general population from whom it arises, merely depends on the simple proposition that the money, if spent, shall be effective in acquiring goods without raising prices. To raise prices would reduce the purchasing power, not only of the fresh money, but of that which preceded it. If this provision can be met, that is to say, if there is undrawn upon productive capacity coupled with control of the general price level, then the mechanism of a National Dividend becomes fairly simple. In its simplest form, it is the issue of bonds to the general population, similar in character to those which are issued to them in return for bank-created money during a period of national emergency, such as war. The exact conditions under which the bonds are issued is not an economic but rather a political problem. Many factors enter into it, and it will, in all probability, be solved in various ways as the differing psychologies of peoples and their Government may direct. In combination with the regulation of the Price Level, it affords a completely flexible method of ensuring that what is physically possible is financially possible. Its inauguration in a modern industrial State means the disappearance of poverty in the old sense of the word, from the population of that State.

The monopoly of credit at present held by financial interests, that is to say, banking institutions and their affiliations*, is obviously so valuable that it would be too optimistic to suppose that it will be relinquished without a struggle. The primary weapon used in this war is misrepresentation. The socialisation of credit, so far from being an attack upon private property, is probably the only method by which private property can once again become reasonably secure. It is the alternative to ever-increasing taxation. It is a method by which everyone may become richer without anyone becoming poorer. It is, so far as I am aware, the only method by which the pernicious doctrine of "a favourable balance of trade" can be exploded. In consequence, it is the primary requisite to the removal of the fundamental causes of war. You are, however, unlikely to arrive at any conclusions of this character by reading criticisms of the theory which originate from orthodox financial circles.

In spite of the difficulty of obtaining a wide public presentation of the theory, however, the progress which has

* (Which, since the 'nationalisation' of central banks, now include 'democratic' governments.)—Ed. T.S.C.

been made by it, more particularly in the past two or three years, is remarkable. There is no portion of the English-speaking world in which it is not discussed, or in which, spontaneously, bodies for its propagation and realisation have not been formed. The Canadian Province of Alberta has the honour of having elected on August 22nd, the first Social Credit Government, but I shall be surprised if it retains this isolated position for long. New Zealand, Australia (and, in particular, Tasmania), South Africa, are all moving rapidly in this direction, more or less in the order named. Whilst in the United States other remedial measures have engaged public attention, steady education upon the subject has been proceeding.

So far as anything is certain in this world, Banking dominance of credit, commerce and industry is certainly doomed together with poverty amidst plenty.

Corrections

The following corrections to figures given in *Freedom and Inflation* in the last issue of *The Social Crediter* (Oct./Nov.) do not essentially affect the intention of the order of magnitude they were intended to convey:

Page 7, para. 7.5—Line 4 should read "to 81,647 million horse-power hours...". Lines 7 to 15 should read: "221,385 MPH per family per year if the average family consists of 3.5 persons. Perhaps these figures do not convey much practical meaning; but if we assume that in 1971-72, average weekly earnings for a forty-hour week were \$75, the hourly rate would be \$1.88, and if we 'value' 221,385 man-power hours at this rate, they are equivalent to a family income of \$416,203 per year. On the same family basis, personal incomes averaged \$7,700 in 1971-72—1.85% of the energy equivalent. These figures are de-".

Freedom and Inflation

By BRYAN W. MONAHAN

Inflation has been officially (for example, by Lord Rothschild and President Ford) designated an enemy. Of course, it is nothing of the sort. Inflation is an instrument of policy, and the enemy is the group ultimately responsible for the policy which is producing disaster and threatens catastrophe. The technical solution to inflation is quite simple, and is undoubtedly understood but opposed in higher financial circles whence international monetary policy originates—a position of immense power. The elimination of inflation requires a challenge to that power. The essential facts concerning the mechanics of inflation, and the accountancy modifications which would eliminate it, are outlined in the booklet *Freedom and Inflation*. If this can be brought forcefully to the attention of business leaders and others obviously concerned with the ridiculous and dangerous situation developing daily in what should be this increasingly prosperous and happy land, and if it can be made known to politicians that the excuse of misinformation will no longer suffice as chaos increases under the pretense of 'mismanagement', the fate now so imminent may be averted. Totalitarian enslavement is the alternative—inevitable unless informed public opinion becomes effective.

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The Resurrection* of Hitler

“. . . the people of Britain must now agree to the necessity for a period of national sacrifice, what the Governor of the Bank of England called austerity.

“There is no chance of all of us maintaining our standard of living, of keeping up with inflation, even though politicians and other national leaders seem to think it axiomatic that this is both a possible and essential right of the people. We, the people, have no divine rights; only those that a democratic society can afford and has the will to provide. So if, in the interests of the future, democracy requires a freeze, rationing and harsh taxation of luxuries, it is no good saying that such measures are acceptable in war but not in peace: because we are at war, with ourselves and with that neo-Hitler, that arch-enemy, inflation.”

***resurrection**: 2. Exhumation; revival from disuse, inactivity, or decay; restoration to vogue or memory: *Concise Oxford Dictionary*.

The quotation is from a letter from Lord Rothschild addressed to the Prime Minister of once-great Britain, published in *The Times*, Oct. 1, 1974, but copyrighted by Times Newspapers Ltd. The occasion was Lord Rothschild's retirement from the Central Policy Review Staff (“Think Tank”). It would be easy to be flippant about this missive; but it is better to consider it in the context of where “Central Policy” under assorted Administrations has landed Britain, and as a directive to the assorted news-commentators as to the line they are now to take as the further effects of Central Policy become apparent. The enemy according to Lord Rothschild is “something called inflation”, not the men who design and execute Central Policies. “All the combined effort of which we are capable should be directed to shortening the time by when the word under-privileged will be insignificant on this island”. “Under-privileged” is merely a relative term, which can be made insignificant by removing the privileges, such as they are outside the Central Policy-makers, from those possessing them. Perhaps a horse is privileged in relation to an ass; but undoubtedly horses will remain horses, and what we have here seems to be something straight from the horse's mouth. You can pretty well bet on it, and have your winnings confiscated by the Wealth Tax.

TO OUR READERS WE SEND GREETINGS
AND BEST WISHES FOR
CHRISTMAS AND THE NEW YEAR

“Prophetic Doom”

(Originally published in *The Social Crediter* in December, 1971)

James Reston, a member of the Council on Foreign Relations (CFR), wrote in the *New York Times* of May 21, 1971, that “Nixon would obviously like to preside over the creation of a new world order, and believes he has an opportunity to do so in the last 20 months of his first term”.

Mr. Reston would have been more accurate had he written of the *birth* of a new world order. The *creation* of a new organic form precedes—often by a very long period of time—its *birth* into the world of already manifested creation. The moment of conception is always a mystery. And after this moment, the fact of conception remains hidden for an indefinite period, until its growing maturation brings forth evidence of its ultimate or imminent birth. And thus it is with “a new world order”.

In his *Programme For the Third World War* (Chapter VIII) the late C. H. Douglas pointed out that the existence of the American continent was known in banking circles when it was quite unknown outside them. “If this was so, it is reasonable to assume that when action was taken in regard to this knowledge it was considered action.”

Douglas also drew attention to the design of the Great Seal of the United States, the obverse of which bears the Masonic symbol of World Government, and the inscription “Novus Ordo Seclorum”—“A New World Order”—the designation of President Nixon's New Economic Policy as of Lenin's transitional economic policy in Soviet Russia. What was sprung by Lenin on Russia was a system incubated in advance, just as Nixon's “new” policy was preceded by enabling legislation well in advance of its implementation, now in train (see *T.S.C.*, Oct. 2, 1971).

This is the background to Professor Arnold Toynbee's statement (see *International Affairs*, Nov. 1931) that “We Europeans have called a new world into being not to *redress* but to *upset* the balance of the old” (original emphasis). Professor Toynbee was for many years Director of the (originally) British, now—since 1926—Royal Institute of International Affairs.

On Nov. 10, 1970, a banquet was held at the Mansion House to celebrate the 50th anniversary of the founding of the Institute. The speakers on the occasion were Mr. Edward Heath, Prime Minister of (once-Great) Britain, and J. M. A. Luns, Netherlands Minister of Foreign Affairs. Mr. Heath in common with the Prime Ministers of other Commonwealth countries, is an Honorary President of the Institute; and is also (or was) a Director of Brown Shipley & Co., the London branch of a powerful American financial group and a Corporate Subscriber to the funds of the Institute. In his address, Mr. Heath “recalled how it was decided at a meeting of the British and American delegates to the Peace Conference in Paris in 1919 [Professor Toynbee was a Member of the British team, and Walter Lippman of the American] to found an independent Anglo-American institute for the study of international affairs.

“Later this body was divided [binary fission] into two institutions, the Council on Foreign Affairs in New York and the British (later Royal) Institute of International Affairs, better known as Chatham House. It was essential, said Mr. Heath, that people should know and understand

the issues which confronted the Government [which people?]

"The contribution of Chatham House to this task has been outstanding and over the years successive British governments have been deeply indebted to the Institute for all it had achieved."

—"Successive British governments." The White Paper, "The United Kingdom and the European Communities", says: "A decision not to join would be a reversal . . . of the whole direction of British policy under successive governments during the past decade". Mr. Heath's remark makes it clear that the 'direction' given to the successive governments came from Chatham House. How is it done?

The Annual Report of the Council of the Institute, 1970/71, which reports Mr. Heath, also discloses that "On 7 and 8 May, 1970, a conference on the theme of Europe in 1990, organised by Chatham House and PEP was held at Chatham House to mark the 20th anniversary of the Schumann Plan for a European Coal and Steel Community. . . . The Rt. Hon. George Thomson . . . spoke of the main problems likely to arise in the forthcoming negotiations for British membership of the European Communities—both the technical problems . . . and also the *greater issues of a more united and effective Europe*" (emphasis added).

Again: "At the beginning of November 1970 four representatives from Chatham House together with the Directors of the Institute for Strategic Studies [which has informed the world that Soviet Russia has achieved strategic superiority in Europe], PEP, and the Committee on Invisible Exports and a representative of the National Institute for Economic and Social Research visited Brussels to meet members of the Commission of the European Communities".

Under the heading: *Chatham House Studies Programme*, the *Report* states: "The study groups and conferences bring together widely differing categories of scholars, officials, businessmen, journalists and others, and the educational character of these groups is to some extent their sufficient justification". But not the whole extent, of course.

Compare this with the purposes of the CFR: On July 29, 1921, the Council on Foreign Relations was incorporated, to bring together "experts on statecraft, finance, industry, education and science; to *create and stimulate international thought among the people of the United States, and to this end, to cooperate with the Government of the United States and with international agencies . . . to create new bodies, and to employ such other and further means, as from time to time may seem wise and proper*" (emphasis added). "Further means" include addresses to selected industrialists by such foreign policy experts as Castro, Mikoyan, Hammarsskjold, Nkrumah, etc.

This is the technique of semi-secret or anonymous 'background briefing'. Participants in these Chatham House and CFR programmes are informed that they may make use of the information gained at various sessions, but may not attribute their knowledge or opinions formed to Chatham House or the CFR. This procedure inevitably induces a feeling of superiority in the 'insiders' as against the 'outsiders', and accounts for the pontifical attitude of so many professional political commentators: they are "in the know". And it accounts also for the international unanimity of comment on international affairs. They follow the 'Line' agreed

in the inner Councils of Chatham House and the CFR.

Following the 'binary fission' of the British Institute, the Royal Institute has metastasised throughout the Commonwealth, while maintaining an almost symbiotic relationship with its binary product, the CFR; and of course there is a close association with similar organisations in almost every country—they are listed in the Council's Report, together with much other revealing information relating to such matters as finance and sponsorship. Both Chatham House and the CFR are sustained by massive grants from international banking groups and the great tax-free Foundations, such as the Rockefeller, and the Carnegie Endowment for International Peace, which financed the study for the military invasion of Southern Africa. Brown Shipley & Co. Ltd. also subscribes. Both Chatham House and the CFR advocate international socialism, which Brezhnev has assured us is inevitable.

Parallel with, and also supported by financial Foundations and sometimes running joint projects, is the organisation (an offshoot of the Fabian Society) Political and Economic Planning (PEP), frequently mentioned in the Report. Its directorate interlocks with Chatham House, but PEP emphasises economic strategy, and thus is something of a wheel within a wheel—but a highly influential one.

All this is the real background to the attempt to subordinate Britain to 'Europe'—an attempt which has nothing to do with economics *per se*, but a great deal to do with the economics of international cartelisation—the world organised as the province of economic internationalism whose consummation is hindered by local national sovereignties. It is the culmination of what Professor Toynbee described as "a deliberate and sustained and concentrated effort to impose limitations upon the sovereignty and independence of the fifty or sixty local sovereign independent states" (*International Affairs*, Nov. 1931). Moreover, he specified deception as the means to achievement ("All the time we are denying with our lips what we are doing with our hands")—a deception still manifest today ("There is no question of any erosion of national sovereignty"—White Paper).

Now if there is anything left that can save Britain from subordination to Europe, as a major step to eventual Communisation, it is *concentration of all the forces in opposition to 'joining Europe' on the narrow front of the preservation of sovereignty*. The economic issues are phonies—distractions deliberately conceived. A straight-out political union with Europe would never have been tolerated by the British public, and its advocacy *as such* would have been death to any political Party.

The Queen in Parliament embodies the national sovereignty of Britain, the preservation of which is the first duty of any Government. Adhering to the Treaty of Rome abrogates that sovereignty, and the advocacy of that abrogation is an act of treason—a violation of allegiance to the Sovereign. It has been well established that the substantial majority of the British are opposed to 'entry', so that the problem is to make that opposition effective; and the way to do that is to focus it sharply on the only vital issue—*sovereignty*. Of course Britain can survive economically—*if sovereign*. After all, Britain led the world in industrialisation. But with loss of sovereignty, Britain's economic interests can and almost certainly will be subordinated to equalising the world's wealth.

That this is the probability is cunningly canvassed in the *Times's* leading article, Nov. 20, 1971, based on the Rutherford lecture given by Dr. Hugh Montefiore, Bishop of Kingston upon Thames. The *Times* comments: "Internationally, there would have to be similar restraints on the exercise of national freedom of action. Although as he sees it the 'great debate' went off the rails by failing to 'lead people to an understanding that there is not much more economic growth possible; or if there is, it will lead to later collapse', he detects in the EEC the germ of the kind of surrender of sovereignty that the situation requires. It would be a nice irony if the Common Market, advertised as an association for waxing fat, proved its usefulness as an instrument for abating the rapacity of industrial society.

"No such redirection of the collective energies of men would be possible without a drastic revision of political and social attitudes. . . ."

"Yet before man is broken of his acquisitive attitudes in relation to the material universe, before the new conservationists have better success than the old gospellers have had of imparting a religious frame of mind to man in his political capacity, people will have to be brought to assent to the reality of the prophetic doom awaiting them if they do not mend their ways. . . ."

Russia, China, Eastern Europe, North Vietnam, Cuba, Chile . . . are examples of the "drastic revision" which the *Times*, and Chatham House to which the *Times* subscribes, has in mind and in prospect. It will not be averted, as many seem to think, by future obstructive tactics in the House of Commons. Beyond doubt, there is a well-considered strategy to overcome Parliament. Only if public opinion overrides Parliament to prevent the formal adhesion to the Treaty of Rome will there be a viable British future. The stakes, as Douglas observed long ago, which are being played for "are so high that the players, on one side [Chatham House-CFR-PEP-International Finance-Communist Russia] at least, care no more for the immolation of the peoples of a continent than for the death of a sparrow". And that is being demonstrated day by day in Vietnam, the Indian sub-continent, and Ireland. The immolation is being carried out in those areas because there the heavy industry and major resources which are the stake at issue are not at risk. If Europe, including Britain, can be taken by stratagem rather than by force, the "prophetic doom" can be administered at leisure, as in Russia under Stalin, at the end of Lenin's transitional New Economic Policy.

The British people have been, and are being conned. If the Treaty of Rome is signed, they are doomed to extinction as a nation, and in many cases, as individuals.

Church Capitulation

The reversal of Roman Catholic teaching on Communism has stimulated the Society for the Defence of Tradition, Family and Property to issue a pamphlet which resolutely faces the issue. We read of the secretary of the Vatican Council for Public Affairs, Msgr. Casaroli, saying that the Catholics in Cuba are "happy under the socialist régime." And the pamphlet recalls the Archbishop of Santiago's support for Allende in Chile. Yet Cardinal Mindszenty was dismissed from the archdiocese of Esztergom

"to facilitate the rapprochement with the Hungarian communist Government."

But Leo XIII, Pius XI and Pius XII taught that a communist régime is "the opposite of the natural order of things" and subversion can only bring "catastrophic fruits." It remains the duty of Catholics to "promote good and fight evil". Nor have the contacts and agreements with the Holy See impeded "the continuation of intensified religious persecution" in Hungary, Poland, Czechoslovakia and Jugoslavia.

Unlikely support for this view appears in the *Catholic Herald* (Aug. 2, 1974) which reports a remark by Mrs. Jill Knight, M.P., an Anglican who said, "It is crystal clear that Communism is directly opposed to Christianity and all that it stands for." The same newspaper, a fortnight later, gives a picture of Dr. Potter, the World Council of Churches Secretary-General, and records his regret that Churches "only want gradual changes in societies" and his requirement "to get involved in actions."

Some of these actions won the approval of the Bishop of Warrington, the Right Rev. J. Bickersteth, who supported the WCC's Programme to Combat Racism at the Liverpool Diocesan Synod and deplored the General Synod's decision to reduce its grant to the WCC. Indeed the Church of England has been no less torn than the Church of Rome by the Communist question. Unusual language appears in *The Church Times* (Aug. 2) when the Rev. P. Oestreicher writing "as a Christian pacifist" complains of the "arrogant and petty gut-reaction" of General Synod members in cutting £1,000 from the grant to the WCC. Oswald W. H. Clark answers (Aug. 9) that this letter shows that "when it comes to 'arrogance', your correspondent can speak from massive personal experience." Bernard Smith notes *East-West Digest* (July, 1974), Dr. Potter's Christmas, 1972, message that "'liberation' is a good biblical word, for that is what 'salvation' means." And Mr. P. Fleetwood-Hesketh objects to the comparison of the Combat Racism programme with the French Resistance, for "when a 'Christian pacifist' produces such a comparison in defence of a programme of murder he is doubly inconsistent, and insults the memory of the French patriots and the Allies who supported them."

Mr. Oestreicher writes again (Aug. 16) to suggest that "the cap fits more closely than was ever intended" but concludes in a more priestly vein that he would apologise if "I have failed to speak the truth in love." I prefer his gut-reaction. Such language accords better with "organisations whose actions include violence and terror", as the New Zealand Synod held in Wellington described the African guerilla groups. This Anglican Synod narrowly passed a motion calling on the WCC not to grant aid to these groups. (*Catholic Herald*, July 26, 1974.)

In conclusion, Fr. Martin Gosling, Director of Aid to the Church in Need, criticises the Catholic Institute for International Relations for its silence on the state of Christians and other religions in Russia and other parts of Eastern Europe. (*Catholic Herald*, Aug. 9.) Capitulation to communism is evidently stirring up a strong reaction in all parts of the world from people who care about religion and freedom.

—H.S.

Henry Kissinger: Soviet Agent*

This is no ordinary book. Connotatively, it is not a book at all. It is a long intelligence memorandum from a professional investigator, submitted in effect to the people of the United States for their consideration in the matter of preserving their sovereignty and independence. If the allegations and conclusions of this memorandum are honestly and reasonably made and drawn, then Frank Capell has rendered his country an immeasurable service. If they are not reasonably grounded and honestly presented, then he should be prosecuted for subversive sedition. Perhaps there can be two opinions as to what should be done about such a document as *Henry Kissinger: Soviet Agent*, but only a fool would brush it aside.

Reluctantly I realize that, in view of the silence with which the official and journalistic world have to date received Capell's report, I have inferentially labelled both our *de jure* and our *de facto* leaders as fools. Frightened at my own temerity, I am more frightened by the possibility that I am right.

Frank Capell has two kinds of evidence that Kissinger has been and is a Soviet agent: direct testimony based on official Soviet records, and circumstantial evidence hardly admitting of any other interpretation. The direct testimony concerns past records; it goes without saying, however—but let's say it anyhow—that once a Soviet agent, always a Soviet agent—always, that is, until death. Cause and effect are reversible at the end: a man's death may cause him to cease being a Soviet agent; or his ceasing to be a Soviet agent may cause his death. Henry Kissinger, as of this writing, is still very much alive.

The direct evidence reported by Capell is that of the man known as Colonel Michael Goleniewski, reputed to be actually the Tsarevich and Grand Duke Aleksei Nicholaevich Romanoff, son of Tsar Nicholai II (or Czar Nicholas II, if you like—we haven't fully standardized these things in English). This heir to the Russian imperial throne was not, it appears, killed at Ekaterinburg (or as the Communists call it, Sverdlovsk) in 1918 after all, but escaped and survived—under, of course, an assumed identity so long as he remained within Communist-controlled territory, which is to say all Iron Curtain countries, plus open areas in Paris, London, New York, Dallas, and other conurbations of the "Free World" (so called because Communism, which elsewhere is enforced, is here only permitted and encouraged).

The Tsarevich Aleksei, as is well known, was (is) a hemophiliac, and his mother Alexandra's fears for his safety were in significant measure the source of the monk Rasputin's influence in the Imperial Court at St. Petersburg. Accepted history has it that all five children of Nicholas and Alexandra (four daughters and the one son) were killed with their parents in July 1918, but reports have persisted of the survival of one daughter, Anastasia and of the son, Aleksei. Capell quotes (via the *New York Daily Mirror*) a statement by Herman E. Kimsey, former Chief of Research and Analysis of the Central Intelligence Agency, that after

thorough investigation he was satisfied that "Colonel Goleniewski" was in fact the Tsarevich. (The fact that Kimsey is a top C.I.A. alumnus does not automatically invalidate his testimony.)

It is tempting to pursue this mystery of history further. Tempting, but not essential. What is essential is whether the middle-aged man (he is seventy) who is reportedly the son of Nicholas II, and whom various experts believe to be the Tsarevich, is in fact a former top agent of Communist intelligence in Poland, where he assumed the covering identity of "Colonel Goleniewski." There is clearly no doubt about it. From Poland he secretly furnished the United States information during the years 1948-1960. Then, threatened with exposure, he fled to the West in January 1961, arriving in the United States on January twelfth of that year, accompanied by Homer E. Roman of the C.I.A.

Capell explains that "Goleniewski" was "debriefed" over a period of almost three years, and with other information gave "complete data on 240 persons (their names, identifications, assignments, locations and operations), who were intelligence agents of the industrial, scientific and technical bureau of the Polish Secret Service and were located in Western Europe and the United States."

One of the 240 was Henry Kissinger. He was said to be part of a "complex known by the code name of ODRA," run from Communist Poland, but directly under control of a Soviet Intelligence general who was supervised from Moscow. At the time in question—1945 to 1947—Kissinger was first an enlisted man, then a non-com, then a civilian employee of the American Military Government in Germany.

Even in those salad days his Midas touch turned everything to promotion and pay. Considering that this charisma of Sergeant Kissinger's first sprouted during the luxurious warmth of Soviet-American friendship in the summer and fall of 1945, before the dread chill of the Cold War set in, nothing could better explain such early success than a discreet relationship with the Communist underground—perhaps especially one concerned with "industrial, scientific and technical matters," and centred strategically in Poland. For what it's worth, I quote a paragraph from Oliver Pilat's book *The Atom Spies* (New York, Putnam, 1952):

Congressional efforts to identify the chief postwar Soviet atom spy in the U.S. culminated in the 1949 testimony of General Modelski, a Polish military attaché in Washington who had broken with his government, that this was the secret role of Ignace Zlotowski, who had entered the country as an alternate delegate to the U.N. Zlotowski skipped back to Poland before he could be questioned. His record revealed that he had received pre-war training in nuclear physics at [Nobel Prize-winning Communist Frederic] Joliot-Curie's laboratory in Paris. It is perhaps worth noting, in passing, that Bruno Pontecorvo, perhaps the most important atom spy of all [and perhaps not], was also a Joliot-Curie laboratory alumnus.

Henry Kissinger is not and never has been a nuclear scientist, nor any other sort of physical scientist, but the crucial breakthrough in his rise to greatness was the publication in 1957 of his book *Nuclear Weapons And Foreign Policy*, sponsored by the Council on Foreign Relations.

Well, all that is a (not wholly irrelevant) digression.

*A book review from *American Opinion*, November, 1974, of *Henry Kissinger: Soviet Agent* by Frank A. Capell, published by The Herald of Freedom, Zarepath, New Jersey, U.S.A. 08890; 120 pages (paperback), U.S.\$3.00.

The essence of the direct testimony quoted by Capell is that "Goleniewski" said Kissinger was an intelligence agent of the postwar Soviet apparatus. What is Goleniewski's credibility in such matters? Capell reports, from Senate Internal Security Subcommittee Hearings published as *State Department Security*, that former F.B.I. and State Department Security officer John Norpel Jr. testified that of all information furnished the U.S. Government by "Goleniewski" none was ever found to be untrue or inaccurate. Information from Goleniewski led, among other things, to discovery of the major sex and spy scandals in the U.S. Embassy in Warsaw in the early 1960s. And his contribution has been formally recognized. Capell quotes from *House Resolution 5507, Eighty-Eighth Congress, First Session*, concerning "Colonel Goleniewski":

... Has collaborated with the [U.S.] government in an outstanding manner and under circumstances which have involved grave personal risk. He continues to make major contributions to the national security of the United States. His primary motivation in offering to work with the government has been and remains his desire to counter the menace of Soviet Communism.

Even if there were no other reason to suspect Kissinger's loyalty to the United States, such an allegation as the foregoing from a previously tested and reliable source that our incumbent Secretary of State was, in his youth as an American soldier and government employee, secretly part of a Soviet instrumentality of espionage should not go unremarked in the mass media and the two Houses of Congress. Nothing charged in the Watergate investigation is comparable in importance, as Capell correctly observes.

But in fact there is much else to provoke suspicion that Henry Kissinger is a Soviet agent. The circumstantial evidence is more compelling than the direct testimony, significant as the latter may be. It is a popular fallacy to discount circumstantial evidence. One advantage it has over direct testimony is that circumstances don't commit deliberate perjury, though to be sure they are susceptible of mistaken if not perjurious interpretation. Fingerprints are circumstantial evidence; yet they are generally accounted superior in probative value to casual eyewitness identification.

"The whole foreign policy of the United States under Henry Kissinger has been Communist oriented," writes Frank Capell, and when you think about it the fact is as obvious as the presence of the purloined letter in full view on the mantel, while detectives probe for it in overstuffed furniture and ransack secret vaults in vain, as described in Edgar Allan Poe's memorable short story. However secretive and devious Kissinger may have been in his first air travel to Peking, preparatory to our rapprochement with the Chinese Reds, he has been open in declaring that what he seeks is a New World Order. In *American Foreign Policy*, a slender but ominous volume published in January 1969, the month he and Richard Nixon moved into the White House, Kissinger wrote: "We must construct an international order *before* a crisis imposes it as a necessity."

Events have shown that Kissinger's method of constructing an international order is to merge the United States with the Soviet Union, the "Free World" with the Communist bloc. In view of the rigidity of Communist

doctrine and Soviet practice, it is obvious that the only way of bringing about such a merger is for the "West" to yield to the "East" on every major point. We cannot say that the Kissinger-Nixon or the Kissinger-Ford or the Kissinger-Rockefeller Administration has yet yielded on every point to the Communists, but we can say that they have yielded on every point which has been resolved.

The *de facto* surrender in Vietnam, the pilgrimage to Peking, the signing of SALT I in Moscow, the relaxation of our hold on the Panama Canal, the fatuously destructive amnesty policy (fatuous because even the alleged beneficiaries don't like it, while loyal forces are demoralized), the shameful courtship of Castro, the double-dealing with Chileans, and most shockingly, the recognition of Communist "East" Germany—all testify to the Communist orientation of our foreign policy under Kissinger, as Capell observes.

Less clearcut but ominous in the extreme are the indications of U.S.-U.S.S.R. collaboration in the Middle East, including the Cyprus affair, to the strategic advantage of the U.S.S.R.

And it is hardly coincidence that the Portuguese empire has been liquidated, and thus both the Iberian peninsula in Europe, and the whole of Southern Africa, suddenly exposed to a newly invigorated Communist threat.

Above all, there is the rush of American capital to the Soviet Union, through wheat deals, construction of truck plants, establishment of branch banks, and other projects which amount to giving security to a known thief, and with nothing to show for it but the thief's increased confidence—in himself. In this incredible economic union with the Soviets, Kissinger is hardly the leader; but he goes along with his patron David Rockefeller, whose economic megalomania comports admirably with Kissinger's own dreams of world diplomacy.

Neither this review nor Frank Capell's book can fully summarize Henry Kissinger's career in engineering a New World Order which, given the premises Kissinger clearly accepts, can only be a Soviet world order. (World order is necessary, and Soviet pressure must not be *too stubbornly* resisted—those are the premises, and they are all that is required to guarantee ultimate Soviet success.) Capell, however, compresses a tremendous amount of relevant information into brief compass. An example of significant episodes reported is the following:

During a visit to Moscow [last spring] . . . , Kissinger cut himself off from the U.S. military and diplomatic personnel of the U.S. Embassy and was generally "incommunicado." Instead of using U.S. diplomatic or military communications systems for transmitting messages to the President, his messages to President Nixon were sent in code via Soviet radio to the Soviet Embassy in Washington where, after decoding, the messages were carried by Russian diplomatic personnel to the President and key members of Kissinger's staff.

How plain do you want it? Maybe you'd really rather not know. All I can say is that if you *do* prefer *not* to think that the Secretary of State of the United States is working to bring about a Soviet world, then *don't* read this latest book by Frank Capell.—MEDFORD EVANS