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SOUTHERN AFRICA & THE WORLD CRISIS

By BRYAN W. MONAHAN

(Continued)

Some draft proposals, which are in the nature of fundamental principles whose application would depend on particular circumstances, follow :

IV. DRAFT PLAN FOR THE REPUBLIC OF SOUTH AFRICA

(1) *National Resources Inventory :*

Draw up an inventory of all South Africa's capital assets, including estimates of mineral and other resources, and of the man-power, this being the average earning capacity per average working-life multiplied by the number of the workforce; the complete inventory to be in terms of current money-values. Re-value the inventory annually.

(2) *National Resources Account :*

Establish a National Resources Account (N.R.A.) and credit it with "interest" on the valuation of the National Resources at a rate to be determined annually.

(3) *Reduction of Prices :*

Draw on the N.R.A. to subsidise producers in individual cases in consideration of their agreeing to reduce prices of products by, in the first place, 5% of their current selling price, such reductions being carried to the consumer level, whether of capital production or consumer goods.

(4) *Compensation of Wages :*

Where due to changing economic circumstances rises in wage rates are determined by *arbitration*, subsidise the employers by draft on the N.R.A. so that the new wage rates do not increase prices.

(5) *Reduction of Taxation :*

Reduce all forms of taxation by 5% in the first place, and re-imburse government revenues from the N.R.A. The Government to have no other access to this account.

(6) *Gold Production :*

Subsidise from the N.R.A. presently uneconomic gold mines, and offer gold freely on the world market at current world price. Republic of South Africa gold reserves in excess of industrial requirements could also be used for this purpose.

V. EXPLANATION OF THE DRAFT PROPOSALS

(1) The proposal to evaluate resources is essentially normal company procedure as in a re-valuation of assets with a view to an issue of bonus shares. In the case of the National Resources Inventory the value does not need to be exact. The purpose is to establish a base on which Proposal (2) can

be carried out, and to indicate variations from year to year. Under normal conditions of expanding productivity the valuation would increase each year, and would tend towards greater precision. It is to be noted that the valuation is *not* monetised, but "interest" credited to the N.R.A. is.

(2) The N.R.A. represents a drawing facility, equivalent to a bank overdraft, the limit of which in this case is the "interest" on the Inventory. The difference is that the "overdraft" is not repaid, but is replenished by annual "interest", and does not attract bank interest. The Bank or other instrumentality handling the account would be entitled to handling charges.

In considering this Proposal, it is important to recognise that the only "money" which has an inherent *commodity* value is gold, and to a much lesser extent coins. Paper money has a relatively small cost of production. But the greater part by far of what functions as money is bank credit, created out of nothing by book-entries and circulating in the form of cheques. Thus the monetisation of "interest" derived from the Inventory Valuation does not differ from normal bank procedure in method. In principle, however, the difference is crucial.

A full technical explanation of this procedure is too complex for inclusion here, but can be provided if required.

(3) This Proposal and Proposal (4) and, optionally, Proposal (6) are the key to the situation. The percentages expressed are tentative and illustrative only.

Insofar as the Government assumes responsibility for the overall control of the economy, its difficulty is in controlling the financing of industrial and other expansion without causing inflation. Proposals (3) and (4) introduce the money needed for expansion of the economy by *reducing* prices, and this and lowered taxation (both of which should be slowly progressive) are the economic equivalent of an increase of income for the individual, since increased productivity requires increased purchasing power to absorb it. An increase in incomes appears as an increase in prices overall, and is self-defeating, being offset only to the extent that an increase in productivity exceeds an increase in costs of production. By financing increased productivity directly, the self-defeating mechanism is progressively eliminated.

The "value" of a currency is commonly held to be, in the last resort, its exchange rate with a unit of gold. This in turn is set on the international financial exchange centres. The true value of a unit of currency, however, is its purchasing power within its country of origin. By decreasing prices

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FROM WEEK TO WEEK

American Opinion's SCOREBOARD assessment of the degree of Communist control in Britain as of July 1970 is 70-80 per cent. This estimate would have been made before it was known that there would be a General Election in June, but still in the light of the fact that the majority of the Public Opinion Polls reported the Labour Party as being in the lead. Since then, to the consternation of the political commentators, the Conservative Party has been returned to office.

This is almost certainly a change for the worse. The economic predicament of Britain cannot be resolved by "better management". The Conservatives (what do they think they are 'conserving'?) cannot either as the Opposition or as the Government mobilise industrial unrest and the forces of lawlessness and disorder for conservation purposes; but the Socialists, and the Communists behind them, are hell-bent, in or out of office, to destroy the existing British society. The orthodox 'remedies' to 'control' inflation — wage-freeze, price-control, further devaluation — are first class social irritants, made-to-order weapons for the Commu-Socialists to attack the Tory Government; but they will not halt inflation, which is the virus which is destroying the Western world.

What is the *apparent* agenda for the Conservative Administration? Well, restore the purchasing power of the pound; restore law and order; re-build home defences; "secure . . . the safety of the nation and the maintenance of its commitments throughout the world" (Mr. Rippon); harmonise race relations.

But, of course, joining the Common Market would sidestep the difficulties involved in this agenda, or so it might seem to anyone sharply confronted with them. This result could have been achieved thirty years ago by allowing Hitler (or those behind him) to conquer Europe bloodlessly.

Towards Disaster

The Foreword to *American Opinion's* SCOREBOARD provides a concise survey of the changing international situation. SCOREBOARD estimates the percentage control of Communism in the Governments of each of 191 countries.

Such control ranges from outright Communist Government as 100 per cent. to small percentages where control is replaced by influence exerted by secret Communists who have penetrated into important positions in bureaucracies, the media, teaching institutions, trade unions, and churches. On this year's rating, only eleven countries are listed as having definitely less than 50 per cent. Communist influence, as against thirty-seven where Communism is in 90 - 100 per cent. control, leaving 143 countries where Communism is the predominant influence, and, in most cases, gaining ground.

The text of the Foreword follows :

Dear Reader :

Each year for thirteen years this July-August issue of *American Opinion* has been devoted to an international *Scoreboard*, the purpose of which is to analyse in each country of the world the successes and failures of those conspirators whose object is One World under Communist control. It is a task in which we are joined by a staff of independent Intelligence specialists on six continents.

What has been especially shocking to most Americans about these annual reports is the view shared by all of our correspondents that *American* foreign policy has for years been so orchestrated as to serve almost no interests but those of the International Communist Conspiracy.

Our analysts reminded us that at Yalta, Teheran and Potsdam representatives of America agreed to Soviet hegemony over all Central Europe. And they note that when in 1968 the Soviets sent their Army into Czecho-Slovakia in a feint at Germany, we made no significant move of reprisal — with the result that West Germany has begun to seek reunification with the Communist "East", almost certainly forecasting the end of the Western Alliance in Europe.

Our correspondents are further convinced that with the pullout in Southeast Asia a retreating America is acquiescing in the hegemony of Red China over all Southeast Asia — from Saigon to Singapore and Rangoon. And, quite probably, including the Philippines. In the Middle East, they report, America's policy has been so structured as to alienate the whole of the Moslem world, with the result that Algeria, Libya, Egypt, The Sudan, Syria, Lebanon, Iraq, and the Yemens are now run by Communist agents.

They further observe that America has had only one consistent policy in Africa — a policy aimed at destroying anti-Communist rule in Rhodesia, Mozambique, Angola, and South Africa. In Latin America, our correspondents note, we have guaranteed Communist sovereignty in Cuba and encouraged Communist dictatorships in Peru, Bolivia, and elsewhere — the Hemisphere being saved from general holocaust only by the anti-Communist intransigencies of the military in Brazil, the Argentine, and to a varying extent wherever safety has been preserved.

There is little for our comfort here. Communist success has depended almost exclusively upon the manipulation of American policies through Communist subversion within the government of the United States. What anti-Communist victories those in other countries have won over the last two decades were most often a product of their faith in America — a faith we have betrayed at every turn. It is time to recognise that the battles for Europe, Asia, Africa, and the Americas are being lost in Washington. The very survival of

Western Civilisation now depends upon a renaissance of anti-Communism in the United States. It will not happen unless we make it happen. We have, at most, a decade in which to win . . . or lose.

sincerely,

SCOTT STANLEY, Jr.

MANAGING EDITOR

The Tame Viper

Communism, which Pius XI called "intrinsically evil", appears to confront an implacable enemy in the Roman Catholic Church: up to 1959 the Communists had killed 2.5 million Catholics, 55 bishops and 12,800 priests and monks. Moreover Lenin said, "Down with religion! Long live atheism!"

Yet an American parish priest, Father F. E. Fenton (*American Opinion*, May 1970), writes that a radical change is taking place; "the subversion has been gradual and sophisticated." Vatican Council II (1962-65) issued no official statement against Communism and provided the excuse for "radical departures" from Catholic precedent and gave the Communists an impetus to further their destructive work within the Catholic Church". The Communists distorted the encyclical *Pacem in Terris* to serve their purpose, claiming that this encyclical of Pope John XXIII required collaboration with Communists. Comrade Hall asked for a "meaningful dialogue" between Communists and Catholics (1964). And Father Fenton feels that he could no longer describe his church as a bastion against Communism.

Now he finds that the Catholic Church in America "aids and abets" the advance of the conspiracy, although many consider the "penetration" of that Church is preposterous, feeling that it has somehow been exempted from the list of Communist targets. The Communists well know that a frontal attack would expose them and provoke reaction. American Catholics, he writes, are now subject to a "gradual conditioning".

He has met "priests" who deliver the clenched-fist salute, and he lists some Leftist Catholic priests and their violent activities, including Monsignor Rice who wrote in 1966 that he was convinced "we should pray for the survival of the present Government of China". Several priests admired Luther King whom the Negro journalist G. S. Schuyler accused of leaving "a legacy of race hatred that has divided much of this country".

He then mentions the Sex Information and Education Council of U.S. which he says will contribute towards the "breaking down of the moral fibre of our youth" and so help to destroy America from within. Yet several priests are serving on its Board of Directors.

The Catholic Press, moreover, keeps silent about the evils of Communism and attacks anti-Communism, and never hints at the existence of a conservative position. Education shares the guilt of the press, for Catholic Colleges welcome Communists as lecturers, while they refuse anti-Communists a hearing. "There can be no dialogue with congenital liars", he comments and accuses some Catholic colleges of "actually collaborating with student Communists".

He warns too about the National Council of Churches with its "startlingly pro-Communist record" and finds his

Church moving towards membership of this body, "the largest non-identified Communist front in the country." He has a word too on Teilhard de Chardin who markedly influenced the "new breed" Catholic radicals.

In a fine passage he points out that the Communists know all too well the importance "of destroying absolute loyalties — whether to God, family or country" and accuses the churches of helping the advance of Communism which is "anti-God, anti-Christ, anti-Church, anti-America, anti-family and anti-freedom." I hope that clergy and laity will take his words to heart.

— H.S.

Southern Africa and The World Crisis

(continued from page 1)

internally, the external value of a currency is increased — an effect normally sought to be achieved by de-valuing a currency in terms of gold.

The effect of Proposal (3) is to strike at the root of international control of internal finance, which is the key to economic control and, so long as the existing system is maintained, political control. This proposal, therefore, would force the International Planners into the open. Their only economic remedy would be to devalue South Africa's currency on the international exchanges; but this would immediately make South Africa's more competitive, which, together with the "revaluation" of the Rand in terms of internal purchasing-power, would make the Rand more valuable, not less, in international transactions. This move would indeed be "checkmate" in the game of international finance where the origin of the world's troubles lies.

A further commonly held misconception concerning economic theory may be dealt with conveniently at this point — that a country grows rich on its exports. This is not true. What is true is that a country grows more powerful under the existing financial system to the extent that it holds other countries in its debt, providing, of course, that it controls the physical sanctions to enforce the debt. This is the explanation of the rise and fall of Great Britain. The headquarters of World finance has been transferred from London to New York.

But international trade in realistic terms is pure barter. A country which exported the whole of its production, and imported nothing but money, would die of starvation as soon as household stocks were exhausted. But adherence to the theory that a surplus of exports over imports constitutes a "favourable" balance places a country at the mercy of the manipulators of foreign exchange.

(6) Since purchasing-power, and not gold, represents the real value of a currency, it is obvious that once purchasing-power has been stabilised, or, as should happen with increasing productivity, enhanced, gold can be dispensed with as a basis of currency. But since the power of international finance depends on gold as the measure of a currency's value, and as the world is suffering from a shortage of gold, the offer to supply gold from "uneconomic" sources exposes still further the position of the international financiers, and makes much more difficult the imposition of an embargo on exports to South Africa which, short of war, is the only effective measure that could be taken.

Apart from physical sanctions — i.e. war — South Africa is vulnerable only to the extent that it is dependent on critical imports.

A further misconception is that a country such as South Africa should seek to attract "overseas investment". Technical skills are a purchasable commodity, and to the greatest extent possible — and it becomes increasingly possible — industrial and other expansion should be by exploitation of internal resources, financed by internal financial resources. With the Rand of increasing purchasing-power, foreign "capital" should be repatriated.

VI. TACTICS

A careful study of documentary evidence, a great deal of which has become available in the past twenty years, makes it quite certain that an attempt to impose an invulnerable World Government on the nations of the earth is approaching its climax. The attempts to coerce the Republic of South Africa by attacking apartheid, and the Republic's position in relation to South West Africa, and by the imposition and attempted maintenance of an arms embargo, demonstrate the vital importance of the Republic's power of independent initiative at this time, when a conventional military assault would be both physically and psychologically difficult to sustain. But a purely defensive posture by the Republic will in the end lead to certain defeat whereas offensive action, by showing the way to break out of economic bondage, might quite possibly lead to the defeat of the Conspiracy.

In these circumstances, if it were decided to implement a strategy along the lines indicated in the Draft Proposals, it would be essential to plan in secrecy so that an economically and practically sound scheme could be brought into operation suddenly as a surprise move able to achieve a quick success. It should be announced in the first place simply as "economic measures introduced by the Government to overcome inflation. There would certainly be international retaliation; but this would force the opposition on to open ground, where his attacks could be exposed for what they are. The Draft Proposals are fully in accord with economic reality, and are flexible and adaptable, whereas the manoeuvrings of international finance are political. Expansion of productivity is a fact; financial restriction is a strategy. Overcoming inflation would release ever-increasing productivity, and, basing currency on a stable and, progressively, an enhanced purchasing-power, would free that currency from a fictitious tie with gold or "reserve" currencies, and would free the economy from an equally fictitious dependence on an export surplus. It is vitally important to recognise that it is not necessary to import "money" to purchase a country's own production. Surplus exports over imports are a real economic — i.e., physical loss. The ultimate, though because of international repercussions, not the immediate, result of what is proposed would be to increase the international value of the Rand, and until other countries based currency on purchasing-power, it might even be necessary to impose an export tax to prevent a drain of the real resources of the country. Conservation, not dispersion, of real resources is a fundamental necessity of national independence.

It is impossible to foretell when and how the ultimate climax of a centuries long plan will occur, but the strategic situation has deteriorated so rapidly in recent years that it is

safe to say that time is not on our side. This is epitomised in the fact that the Republic of South Africa alone now possesses the power to exercise an independent initiative without constituting a threat to anyone but the manipulators of world power. This independence can probably be maintained until South Africa becomes subject to a nuclear ultimatum. As long as the rules of international finance are adhered to in their present form, that independence is circumscribed by theoretical obligations. But it is *essential* to break out of those rules while it remains physically possible. No genuine obligations — obligations founded in economic reality — need be repudiated. The ability to supply gold, while not being bound by the economics of a gold-based currency and the ability to supply materials vital to the economies of other countries, provide a unique and final opportunity to avert disaster for the Republic, and perhaps lead to redemption for the rest of the world. The ruthless technological tyranny which threatens us would be the worst disaster ever to befall mankind.

To repeat, the Republic of South Africa uniquely has the one chance against a final certainty of a new and probably final Dark Age.

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