STOP THE BANK GANG

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■ MORE Americans than ever before are concerned and confused about the incredible shrinking dollar. The morning headlines shout about daily fluctuations in relation to the Swiss franc, the German Deutsche mark, and Japanese yen, as they yo-yo up and down against each other. The papers are so full of references to S.D.R.s, E.C.U.s, bancor, balance of payments, and other exotic terms, that it is almost a full-time job to keep up with the myriad of plans, schemes, and ploys in which the international money manipulators are involved. Many Americans have become frustrated and given up. But the fact is that you don't have to have a Ph.D. from the Wharton School to understand what is being done in monetary policy. And, since the purchasing power of your dollars is on the line, you would do well to pay attention to the games the money magicians are playing.

Deeply entwined in these games are the International Monetary Fund and the World Bank. These adjuncts of the United Nations have big plans. Dr. Johannes Witteveen, the Dutch Socialist who recently retired as head of the I.M.F., made no bones about the fact that the goal is to turn that organization into the equivalent of a Federal Reserve Bank for the world. In a speech delivered on October 28, 1975, at a meeting in Frankfurt of the Conference Board, a "non-profit study group" bankrolled by the American Establishment, Witteveen urged that governments turn in their gold stocks in exchange for I.M.F.-created "money" and suggested that eventually the I.M.F. should act as "the exclusive issuer of official international reserve assets." Meaning that the Fund should control the supply of money and credit all over the world.

Dreamers and schemers have long advocated a world money system. The dreamers don't know any better, but some of the schemers do. A common currency would be a major step toward a common government. A One World socialist currency would be a giant step towards a One World socialist superstate. One remembers that Federal Reserve Board governor Mariner Eccles declared in 1944 at the conference in which the I.M.F. was created: "An international currency is synonymous with international government." Or, as the *Los Angeles Times* put it on May 7, 1978: "Now the world's finance ministers are counting on the International Monetary Fund to lead the way toward a new world economic order."

The I.M.F. was not delivered on America's doorstep by the stork, but involved several years of careful planning. Like its organizational parent, the United Nations, it was hatched during World War II at the conspiratorial think tank known as the Council on Foreign Relations. The Council, first under sway of the J.P. Morgan interests and then under that of the Rockefeller family, was busily engaged in planning the post-war world even before Tojo's boys made their Sunday-morning visit to Hawaii. In several recommendations during 1941, the War And Peace Studies groups of the C.F.R. proposed that several international economic and financial institutions were needed to assure control of the proposed world economy. Recommendation P-B23 of July 1941 stated that worldwide financial institutions were necessary for the purpose of "stabilizing currencies and facilitating programs of capital investment for constructing undertakings in backward and underdeveloped regions."

The Council's own records show that during the last half of 1941, and in the early months of 1942, the C.F.R. formulated a plan for remaking the world. The recommendations were forwarded to F.D.R. and the Department of State where the C.F.R.'s men were assuming the top positions. In 1942, Treasury advisor and C.F.R. operator Jacob Viner wrote a memo proposing what would turn out to be the I.M.F. and the World Bank. The paper stated: "It might be wise to set up two financial institutions: one an international exchange stabilization board and one an international bank to handle short-term transactions not directly concerned with stabilization."

The Treasury selected Harry Dexter White of the Council on Foreign Relations to head the American delegation to the Bretton Woods interna-

The International Monetary Fund and the World Bank were conceived as adjuncts to the United Nations by the Council on Foreign Relations in New York prior to our involvement in World War II but as part of a plan for a post-war New World Order to include creation of the U.N. The aim was clearly World Government.

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tional monetary conference held in New Hampshire in 1944. The *American Banker* for April 20, 1971, in a monograph history of the I.M.F., reports: "The main architects of the Fund were Harry Dexter White and John Maynard Keynes — later Lord (Candy) Keynes — of the American and British Treasuries . . . . Keynes had written about a world central bank as early as 1930, while White had been instructed by the U.S. Treasury only a week after Pearl Harbor to start drafting plans for an international stabilization fund after the war."

Keynes and White were quite a couple. For two decades John Maynard Keynes, an aggressive homosexual, had been the darling of the British Fabian Society, a gang of Socialist conspirators. And, while all of the standard histories of the I.M.F. forget to mention it, there is absolutely no doubt that Harry White was a Soviet agent.

On November 6, 1953, Attorney General Herbert Brownell revealed that Harry Dexter White's "spying activities for the Soviet Government were reported in detail by the F.B.I. to the White House . . . in December of 1945. In the face of this information, and incredible though it may seem, President Truman subsequently of January 23, 1946 nominated White, who was then Assistant Secretary of the Treasury, for the even more important position of executive director for the United States in the International Monetary Fund." Apparently Nelson Rockefeller assured the Missouri partisan, who was in well over his head, that White wasn't a Russian agent but a friend of the family. He was, alas, both.

Professor James Burnham comments in his 1954 book *The Web Of Subversion*:

"From its beginning, and before its beginning, the International Monetary Fund has been closely encompassed by the web of subversion . . . . The technical secretary of the Bretton Woods Conference was Virginius Frank Coe. Coe became the principal administrative officer of the International Monetary Fund, the secretary, at a salary of $20,000 a year." Burnham noted that Coe had been identified under oath as a Communist agent by both Whittaker Chambers and Elizabeth Bentley. And Comrade Coe later went to Red China, where he was in the employ of Comrade Mao Tse-tung.

"In 1961 Leslie Gould, financial editor of the *New York Journal-American*, discussed the purpose of the International Monetary Fund as follows: 'The original plot of White and his fellow Communist agents was

 

U.P.I. Fabian Bachrach

International banker David Rockefeller (right) of the C.F.R. and Trilateral Commission is a conspiratorial power behind the I.M.F. and the World Bank. President of the latter is (left) Robert McNamara, "citizen of the world," now using our money to prop up such key Communist regimes as that in Vietnam.

to use the Fund as a sell-out to Communist Russia. White's program was to allow the Russians to draw a billion in American money from the Fund without the restrictions imposed on others . . . . It didn't quite work that way.' "

What the Soviets did not get, the Rockefellers and their partners in the international banking business did.

For three weeks, Keynes, White, Coe, and thirteen hundred delegates stayed in New Hampshire to create the International Monetary Fund. According to the *American Banker* monograph: "Keynes wanted his international central bank to have power to create its own money," and proposed to call the world currency *bancor*. But White, the combination banker-Communist agent, was more cautious. While agreeing with Keynes that a world money was the ultimate goal, White was concerned that the U.S. Senate would not swallow so obvious a move toward World Government. Undoubtedly Harry White was remembering that in the aftermath of World War I the Senate quickly came out from under the ether of radical propaganda and kept the United States out of the trap known as the League of Nations. According to Armand Van Dormael in his recently published book, *Bretton Woods: Birth Of A Monetary System*, White and Secretary of the Treasury Henry Morgenthau "judged every proposal by its chances of getting congressional approval."

The Establishment's drum-beating machine, of course, soon went into fits of thunder to assure the approval by Congress. Typical of the beat was an article in *Collier's* for June 2, 1945, modestly entitled: "Bretton Woods or World War III." *Collier's* said of the I.M.F. that "It's designed, in the long run, to save you and me money." In the long run, winked Lord Keynes, we are all dead. *Collier's* continued: "It's meant, in fact, to help us prosper and to assist others everywhere, in building the kind of a new world that civilized peoples deserve."

But it seems there were bad, unciv-

U.P.I.

Historical Pictures Service — Chicago

Treasury selected secret Soviet agent Harry Dexter White of the Council on Foreign Relations to head our delegation to the Bretton Woods Conference that created the I.M.F. White (right) and British socialist John Maynard Keynes (left) ran the show. Their objective was to lock up our money in a world central bank.

ilized, people who didn't want to save us all that money. *Collier's* identified these mean-minded folk as "isolationists," a term guaranteed in 1945 to set Pavlov's hounds to salivating. According to the magazine, the proposals of Keynes and White "have been attacked by isolationists, by those who believe they could profit more from the old dog-eat-dog ways and by timid souls afraid to try anything even slightly new to ensure world peace." The Bank, we were assured, "would be set up to operate like any other bank with the usual safeguards, and wouldn't, as critics say, be a big grab bag to make Uncle Sucker out of Uncle Sam."

No wonder *Collier's* went the way of the dinosaur.

With this and similar propaganda swamping the land, it is not surprising that Congress bought the whole United Nations/I.M.F./World Bank package. It is true that the Establishment *Insiders* sponsoring all of this did not get the full-blown World Currency System and World Government that they wanted. But they saw half a loaf as half-way to getting the whole bag of bread. The *Insiders* knew that, just as when they created the Federal Reserve in 1913, it was most important to create the framework into which more power could be poured as it became available. Had they gambled on getting Congress to swallow the entire loaf at once, the American people might have gagged and put a stop to the entire scheme.

This is not to imply that the I.M.F. was not a powerful threat to the United States even as originally structured. The major objectives of Keynes and White have been summarized by the distinguished analyst Dan Smoot as follows: "1. Strip the United States of the great gold reserves (which had made our dollar the dominant currency on earth) by giving the gold away to other nations; 2. Build up the industrial capacity of other nations, at our expense, to eliminate American productive superiority; 3. Take world markets (and much of the American domestic market) away from American producers until capitalistic America would no longer dominate world trade; 4. Entwine American affairs — economic, political, cultural, social, educational, and even religious — with those of other nations, until the United States could no longer have an *independent* policy, either domestic or foreign, but would become an *interdependent* link in a worldwide socialist chain."

At the end of World War II, the United States held sixty percent of the world's gold reserves and was the unchallenged economic power of the planet. To merge the nations of the world into one government, the *Insiders* and their Fabian allies would have to destroy American dominance. This exactly suited Communist purposes as well. Did it work? Twenty years after Bretton Woods, President John Kennedy spoke of the success of the I.M.F. in draining our country of its wealth. On September 30, 1963, J.F.K. proclaimed:

> *Twenty years ago, when the architects of these institutions* [the international monetary organizations] *met to design an international banking structure, the economic life of the world was polarized in overwhelming, and even alarming, measure on the United States. So were the world's monetary reserves. The United States had the only open capital in the world apart from that of Switzerland. Sixty percent of the gold reserves of the world were here in the United States . . . . There was a need for redistribution of the financial resources of the world . . . .*
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> *This has come about. It did not come about by chance but by conscious and deliberate and responsible planning. Under the Marshall Plan and its successors, liberal assistance was given to the more advanced nations to help restore their industrial plant, and development loans were given to less developed countries . . . .*
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> *We are now entering upon a new era of economic and financial interdependence . . . . I think the last 20 years have provided impressive proof of benefits of international financial cooperation. We are linked so closely together; our economies are tied so intimately . . . .*

In the fifteen years since President Kennedy made that statement, America has continued to redistribute her wealth until today most of our gold is gone from Fort Knox and the dollar wakes up every day with morning sickness. But it was creation of the I.M.F. that sounded the first postwar shot in what Professor Antony Sutton calls "the war on gold."

Since gold cannot be created with the stroke of a pen or blips on a computer, as can paper money and credit, it is difficult to manipulate money if supplies must be backed by gold. Socialist planners therefore look on gold as Billy Carter looks on the Women's Christian Temperance Union. Lenin once said that under Communism gold would be used to line toilets, and that is what White and Keynes would have liked to have said at Bretton Woods. But Harry Dexter White was shrewd enough to realize that the world, and particularly the U.S. Senate, was not ready to exchange control of gold for Keynes' bancor. While gold had to be made part of the system, the two fairy godmothers of the I.M.F. tried as far as possible to push it into the background.

The world had gone off the gold standard during World War I and returned only to a modified form of it between the wars. After World War II, the gold-backed dollar was the unchallenged king of currencies, in demand by everyone. So the I.M.F.

The F.B.I. reported details of Harry Dexter White's spying activities for the U.S.S.R. to the White House a month before President Truman named White to be our executive director for the International Monetary Fund. Principal administrative officer for the Fund was another secret Communist agent, Virginius Frank Coe.

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put the world on the dollar standard. The dollar would be the world's reserve currency. In 1934, Franklin D. Roosevelt had called in gold and then made it illegal for American citizens to own it. However, while Roosevelt pulled this dictatorial trick on his own people, he had kept the dollar convertible in gold to foreign nations lest it join the ruble as an outcast in foreign trade.

Thus the I.M.F. could create a dollar standard while the dollar was still backed by gold for foreign central banks at the rate of thirty-five dollars per ounce. It might even have worked if the I.M.F. and the governments of the globe had refrained from inflating their currencies. But, again, men would be angels if they refrained from sin. Henry Hazlitt, one of America's foremost economists, wrote in the August 1971 issue of *The Freeman* magazine:

"The latest crisis in the foreign exchanges illustrates once more the inherent unsoundness of the International Monetary Fund system . . . . The system not only permits and encourages but almost compels world inflation . . . . The I.M.F. system, in brief, has been at least partly responsible for the world inflation of the last twenty-five years, with its increasingly ominous economic, political, and moral consequences.

"Thus the International Monetary Fund proved, in effect, a greater engine of inflation. Bad enough that under it no nation but the U.S. was constrained by the need to preserve gold convertibility, and that the U.S. itself was in large measure relieved even of this discipline because dollars could be used to settle international balances. To make matters worse, when the U.S. inflation accelerated, the obligation on other countries under the I.M.F. articles of agreement, to keep their currencies from going to a premium against the dollar, virtually forced them to import inflation. Germany, to illustrate, was obliged to buy billions of dollars. To do so, she issued billions of marks. Such transactions increased both Germany's 'reserves' and its domestic money supply."

America's own money supply has been increased (inflated) seven hundred percent since Bretton Woods tied the I.M.F. to the dollar at thirty-five dollars an ounce. Dr. Gary North explains the I.M.F. inflation machine:

"The economic justification undergirding the Bretton Woods Agreements of 1944, which created the I.M.F., was that the world needs stable exchange rates among currencies. The I.M.F., acting as an international regulatory agency, was supposed to intervene in the currency markets whenever one nation's currency was hit by a wave of speculation, *i.e.*, when experts began to sell a currency short (promising to deliver a specified quantity of future currency units in exchange for a specified quantity of another currency's units). The I.M.F. was to provide 'temporary' loans to the central banks of these hard-hit national currencies, thereby providing sufficient quantities of hard currencies to tide them over during the speculative storm. This, of course, would help the nation's leaders to continue their policies of deficit spending and the financing of the deficit through monetary inflation — 'deficits without tears,' as Jacques Rueff has called them, referring to the central position of the U.S. Exchange rates were to be fixed by international agreement, allowing only marginal flexibility.

"The I.M.F. gained access to its hard currencies and gold through the incredibly short-sighted policies of the U.S. and other contributing nations that set up this bureaucratic boondoggle. The agency's bureaucrats, with their tax-free salaries and legal immunity to arrest, were supposed to be wiser than those professional currency speculators who put their fortunes on the line every morning. Indeed, the I.M.F.'s bureaucrats were supposed to be wiser even than the collective decisions of the free market."

While currency exchange rates were to be held constant under the I.M.F. rules, different nations were inflating at different rates. Sooner or later, as a result, one nation devalues or revalues its currency against that of another. Between 1947 and 1971 there were over one thousand full or partial devaluations. What did the I.M.F. do? Nothing. It was a paper tiger when it came to stopping devaluation. Fine, but we ask again, what was the I.M.F. really doing? Dr. North answers:

"It gave speculators the opportunity to make very high profits or losses during major devaluations. It gave I.M.F. bureaucrats very high paying jobs. It got them out of Uganda and into Washington, D.C., which even today is a pretty good deal. It gave Keynesians more time to foul up the various national economies. It provided the illusion of stability in between major devaluations. It made price controls temporarily respectable. After all, if price controls can work in international monetary affairs, why not elsewhere. So the I.M.F. no doubt benefited some people — the planners, their philosophical supporters, and these speculators who had inside information preceding major devaluations and revaluations. It certainly helped central bankers, at least to the extent that the I.M.F. did keep some currencies fixed in line longer than they would have been fixed had the excuse of the I.M.F. been absent." Of course it became all the more profitable for the "speculators" when the central banks finally did devaluate.

What the International Monetary Fund has done, in short, is pump a lot of money into the vaults of the schemers.

Who are these schemers and speculators? Some of them are merely sharpies who know how to read a balance sheet, but the big take is going to the New York megabanks and large multinational corporations connected with the Rockefellers' Council on Foreign Relations — the organization which drew up the blueprint for creation of the I.M.F. in the first place. A little inside information on upcoming devaluations can be very helpful when placing one's bets in the international currency casino.

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STOP THE BANKERS

The I.M.F. sister organization, the World Bank, has also proved to be a bonanza for the same planners, bureaucrats, and *Insiders*.

The World Bank Group is composed of three closely interrelated institutions: the World Bank itself and its two affiliates, the International Finance Corporation and the International Development Association. The Bank is intended to provide funds to governments through conventional interest-bearing loans. The I.F.C. was established in 1956 to invest in private enterprise in the developing countries; and, I.D.A. was established in 1960 following a U.S. initiative calling for a mechanism for "soft" loans to the Bank's poorest members. "Soft" loans are those that no one in his right mind would make — something akin to lending your new Cadillac to Leon Spinks or asking Roman Polanski to look after your daughter while you take a vacation.

The boss of these three organizations is the one and only Robert Strange McNamara, the hustler who gave America the Edsel, the no-win war in Vietnam, and arms control and disarmament. According to McNamara: "Affluent nations, in order to expand aid, may have to accept for the time being some small further reduction in their already immensely high standard of living. If they have to, they can."

Karl Marx said almost the same thing. Only he said it in German. But Karl at least had the decency to live in poverty. McNamara fights poverty as head of the World Bank while receiving a tax-free salary from your pocket of one hundred fifty thousand dollars a year. You would think a man who advocates that the rest of us reduce our standard of living would at least have the decency to pay his own taxes.

McNamara is a former Secretary of Defense who comes from Harvard University via the Ford Motor Company and has for many years been a member of the international bankers' Council on Foreign Relations. From his position as the grand panjandrum of the World Bank, a post he has held for a decade, Robert McNamara is in a position to be of immense aid to the multinational banking and industrial community he has long served. The World Bank is now pumping out nearly nine billion dollars a year in loans. Naturally, anyone in a position to pass out that kind of money can do his friends and sponsors many a favor.

While some of the Bank's money goes to small businesses or farmers in underdeveloped countries, the Bank admits that much of its loans have gone to groups which are definitely not poor. In a feature entitled "Down A Rathole," *Barron's* of September 25, 1978, notes sarcastically: "There's a saying that the Bank takes tax money from poor people in rich nations to give to rich people in poor nations." Just how much of this money actually winds up being spent by the recipient nations with the C.F.R.-related multinationals cannot be learned. As *Barron's* observes: "The dearth of useful information makes it virtually impossible to tell what the Bank is doing." *Barron's* continues:

"The U.S. can't even effectively keep track of what happens to the money it contributes. According to the U.S. Comptroller General, the Secretary of the Treasury has failed to carry out the directive of the Foreign Assistance Act of 1973 to work through the U.S. director of the Bank to obtain a full accounting of what is done with World Bank money. Although the Bank has flooded the lawmakers with material, it sheds little light on what they want to know.

"Rep. Long, for example, complains that *they've been unable to determine what money went to whom for individual projects.* While the Bank boasts that contracts are awarded under international competitive bidding, it adds that awards are made on the basis of the lowest evaluated bid.

"In return for its huge contributions, the U.S. has insisted upon an American president. The theory is that he will look out for U.S. interest. But *those who have talked with Robert S. McNamara (he wouldn't see us) say he views himself as a citizen of the world*; Rep. C.W. (Bill) Young (R., Fla.), ranking minority member of the Appropriations Subcommittee, calls him a super-sovereign, responsible to no one."

At least he is not responsible to any of our elected officials. Just because the U.S. taxpayer puts up the bulk of the funds — forty percent — does not give our Congressmen the right to pry into the activities of McNamara's bund.

While we can't tell how much the World Bank's loans have generated in business for McNamara's sponsors, we do get a clue from an article titled "World Bank: Does It Bind The Poor To Poverty?" in the *Los Angeles Times* of September 24, 1978. By Joseph Collins and Frances Lappe, cofounders of the Institute for Food and Development Policy, the article reports: "Ostensibly to encourage agriculture and rural development, World Bank loans go overwhelmingly to build an infrastructure — from roads to dams — that enriches local and foreign contractors and consultants. The United States benefits directly from this practice, by the way. According to a recent State Department estimate, for every dollar the United States has paid into the bank, $2 have been spent in the U.S. economy."

Multinational corporations may benefit; the taxpayer certainly does not. Congressman John Rarick is one who believes the World Bank is fronting for the multinationals and their *Insider* bosses. He told the House on September 29, 1972:

"Again we hear the tear-jerking rhetoric that the affluent rich nations must give more of their wealth to assist the poor and indigent nations. Yet from past performances, aid to the poor countries usually ends up as seed money or loans to the wealthy industrialists from the developed countries to further their overseas operations in competition with the people whose country they claim to represent.

"The shell game has become such a ruse, the international bankers so nationalistic in power, that the wealthy industrialists are even able to insure their operations and expected profits in poor nations against riots, revolution, and confiscation. But again it is not the International Bankers or the industrialists who underwrite the insurance operation. The Overseas Private Investment Corporation — OPIC — is a taxpayer-subsidized insurance company and in case of any excess claims the full faith and credit of the United States — the taxpayers — has been pledged to bear the loss. But, like all things made intricate and complicated with talk of international finances, the management and the decision making on who gets the loans, the insurance, and the settlement are always left to the agents of the International Bankers. The policies of the creditor are the policies of the monarch. And after a time and too great a debt, the creditors become the monarch."

One thing we know for sure. The World Bank and I.M.F. hierarchy are

Robert Strange McNamara, the C.F.R.'s president of the World Bank, is pumping out $9 billion a year. McNamara explains: "Affluent nations, in order to expand aid, may have to accept for the time being some small further reduction in their already immensely high standard of living. If they have to, they can."

very close with the royalty of Chase Manhattan. As the *New Yorker* magazine of January 9, 1965, observed: "Every year, the World Bank and Monetary Fund (whose former pres., Eugene Black, is also a Chase Bank director) has a meeting, which is ordinarily attended by the finance ministers or other high fiscal officers of dozens of nations as well as by the heads of their central banks. Two out of every three of these annual sessions are held in Washington, and at their conclusion Rockefeller (David) usually has the whole crowd, plus wives, up to Pocantico Hills for lunch. It is a pleasant way of celebrating the completion of the World Bank's agenda, and it is also a pleasant way of cementing relations between Chase and many of the world's top bankers . . . . " Oh, yes, indeed.

And the World Bank does not just pump money into poor countries to feed the multinationals, it applies all kinds of conditions to manipulate the debtor nations. If a country is not hospitable to the multinationals aligned with the Rockefellers' C.F.R. it is not going to get much of McNamara's money. Nonetheless, while the World Bank plays Santa Claus for the multinationals it is also the Easter Bunny for the socialist and Communist countries. As *Barron's* comments, "many of the social reforms that the Bank is funding involve fostering the spread of socialism and communism." Typical of the bottomless pit into which the World Bank pours its dollars is Tanzania. *Business Week* for December 25, 1978, reports:

"Ugandan President Idi Amin's latest war dance on Tanzania's northern border has thrown a harsh spotlight on the condition of Julius Nyerere's experiment in African socialism. Tanzania's effort to defend itself against this second incursion in four years has disclosed an economy on the brink of collapse — despite years as one of the darlings of Western aid. Ever since Tanzania's emergence in 1961, the West has poured in millions — $300 million in the last fiscal year, mostly in grants. The Westerners persist, even though President Nyerere consistently espouses the socialist road and the [*Red*] Chinese equip his army.

"Donors, led by the World Bank, with Scandinavia, Canada, West Germany, Holland, and the U.S. chipping in, seem to be attracted by Nyerere's 'high principles' and 'statesmanship,' his political importance as a leader of the front-line states confronting Rhodesia, and by an apparent faith in the ability of his 'barefoot socialism' to transform one of Africa's poorest nations. This support continued even after the 1967 Arusha Declaration, in which Nyerere took a harder ideological line and nationalized a lot of foreign holdings, notably banks and insurance companies.

"He tried to compensate for the loss of foreign business ties with a forced ruralization of the economy through the Ujamaa concept — the family village. Today, while 95% of the population has been moved into such villages — sometimes at gunpoint — implementation of Ujamaa must be judged a failure. The promised health clinics, schools, and farm aid that were to follow resettlement largely did not materialize. The problems of collectivized farming aside — it has failed in far more sophisticated countries — Tanzania simply lacks good farmland. Low incentives and inefficient management, prevalent in the economy overall, sealed Ujamaa's fate, although the ideologically attuned Swedes still believe it is an idea whose time is yet to come.

"Meanwhile, per capita income is $198 a year. Foreign exchange reserves have plummeted to less than $125 million, half the 1977 level."

Another recipient of World Bank funds is Guyana, made famous by that great theologian, the "Reverend" Jim Jones. *Barron's* of November 27, 1978, tells us: "The attraction of Rev. Jim Jones to Guyana seems to have been largely ideological. Like Jones, Guyana embraced socialism. Help nonetheless has been forthcoming. The U.S. provided $27 million in aid for the fiscal year just ended. The Inter-American Development Bank lent it nearly $50 million last year. The World Bank and its soft-loan affiliate, the International Development Bank, handed over $20 million last month, while the International Monetary Fund last summer dispensed $18.8 million."

The terms of the loans to the socialist and Communist countries are not quite as stiff as the eighteen percent you pay on your Mastercharge. *Barron's* reports: "I.D.A. loans, which are virtual giveaways, are burgeoning. They run for 50 years, with a 10-year grace period, and, except for an administrative charge of three quarters of 1%, are interest-free. These loans go directly to governments, which sometimes then re-lend the money at rates as high as 17%."

Particularly galling to Americans is the pouring of I.M.F. and World Bank funds into Communist Vietnam. The taxes of veterans of that conflict are now building the Worker's Paradise in Southeast Asia. Associated Press reported on August 8, 1978:

"Communist Vietnam is becoming a regular recipient of aid from the International Monetary Fund, whereas the former non-Communist government of South Vietnam never received a cent. The Communist government received about $30 million from the IMF on Friday, and is about to receive its first big loan from the World Bank, $60 million to expand rice production in the Mekong River Delta in what used to be South Vietnam. The executive directors of the bank vote today on the rice project loan. The U.S. director, Edward R. Fried, said he will vote against it 'as a matter of U.S. policy,' but approval is expected anyway.

"The World Bank previously approved an $8 million loan to Communist Laos over U.S. objections.

"Hanoi has received about $115 million in aid from the International Monetary Fund since the Communist government took over South Vietnam's membership three years ago. North Vietnam was never a member. While the United States has refused to provide direct aid to help rebuild war-torn Vietnam, it is indirectly aiding the Communist government since it provides more than 20% of the financial support of the World Bank and the IMF. The World Bank and IMF loans will help Vietnam rebuild in the wake of its war with the United States. But the Vietnamese are embroiled in combat again, this time with Cambodia. The aid conceivably could help finance that conflict." Could and has.

While the World Bank complex is busy with its softer-than-soft loan program to assorted Communist and socialist dictators, the I.M.F. is busy bailing the poverty-stricken governments of the world out of balance-of-payments deficits which have gone wild since the Sheiks of Araby and their partners of the Exxon-Mobil-Gulf-Shell-Standard-Texaco cartel have quadrupled the price of oil. This had the same effect as raising the price of Old Purple Foot to five dollars a fifth at skid-row liquor stores.

The so-called L.D.C.s (Less Developed Countries) are paying for their oil by borrowing every farthing and kopeck they can get their hands on from any source willing to lend them money. The August 5, 1978, issue of the London-based *Economist* magazine reports: "New figures from the Bank for International Settlements (BIS) in Basel indicate that private banks have lent $165 billion to developing countries. This includes $36 billion to communist countries, and around $20 billion to major oil producers, but that means over $100 billion to the others. Some $80 billion falls due for repayment this year and another $20 billion next. Of this year's debts, around $50 billion could represent short-term trade finance and will be almost automatically rolled over by banks. But that still leaves $30 billion worth of maturing debt. Most of these countries still have balance-of-payments deficits and at present could not repay.

"Banks are locked in. They have to lend their customers new money to pay off their old loans. At the end of last year, they had already promised an extra $50 billion to foreign governments."

Even the megabanks must wonder just how long this game can continue. The total external debts of the L.D.C.s, according to *The Economist*, are $260 billion and increasing by forty to fifty billion dollars a year. That's a spicy meatball, and someday the remedy will pop-pop, fizz-fizz, all over the world economy. The oil cartel's planned 14.5 percent boost in petroleum prices will add something like twenty-five billion dollars to the world's petrol-purchasing problems.

The megabanks would obviously like to unload the worthless I.O.U.s of those in default onto the I.M.F. Says *The Economist*: "In recognition of the growing risks in LDC lending, many bankers and economists have urged that a closer relationship between the IMF and the commercial banks should be established and the possibility of joint financing explored."

The *Los Angeles Times* for June 18, 1978, reveals that "international organizations such as the International Monetary Fund are increasingly shouldering the burden where defaults are likely, in effect running interference for the private banks. The result defuses the potential for massive defaults which theoretically could have toppled some major banks."

So the I.M.F. is pursuing what might be called "Operation Bailout" or "The Bankers Relief Act." Since the I.M.F. does not have the power to create deposits out of thin air, as can the Federal Reserve, its funds must come from member nations. At the I.M.F. annual meeting last September it was decided to add

The World Bank's I.D.A. loans to the Communist and socialist countries are virtually giveaways. They run for fifty years, with a ten-year grace period, and are interest-free except for an administrative charge of three-quarters of one percent. And forty cents of every dollar the I.D.A. loans comes out of your pocket.

twenty-five billion dollars to the institution's total resources, a fifty percent increase. Naturally, the American representatives went along. But it is at this point that the cheese gets binding. Unlike the situation in the socialist dictatorships, the American contingent can pledge anything it wants, but under our Constitution the Congress is still responsible for appropriating the greenbacks. And this kind of back-door Foreign Aid, not particularly popular on Capitol Hill, is very *unpopular* back home in the Congressional Districts. You can bet that there will be a whole lot of lobbying going on.

Still, the magnitude of the L.D.C. debt is so enormous that no amount of money which might conceivably be appropriated by Congress is going to bail out the L.D.C. debtors and their bankers during the next decade or two. The only possible answer, we are being told, will be to give the I.M.F. and the World Bank complex the ability to create its own money. From a political standpoint, a world "inflation tax" is seen as a lot more palatable than direct taxation. It's like eating garlic but having someone else get the bad breath.

All of which brings us back to Candy Keynes and his proposals to have an international fiat currency unbacked by gold. The current ersatz money being used by the I.M.F. is called Special Drawing Rights, or S.D.R.s. The S.D.R. is not a currency you will get in change at the supermarket, or even when you buy Gucci shoes or a new Toyota. The S.D.R.s don't circulate. They are computer entries which the I.M.F. uses to settle balance-of-payments deficits between nations. But, and this is the key, the I.M.F. cannot at this point just create S.D.R.s willy-nilly. The S.D.R. is based on a so-called "basket of currencies," which is a weighted average of the dollar, pound, franc, Deutsche mark, and a dozen other currencies. The currencies have to be supplied by the members, so the I.M.F. boys can't just make them themselves. But, oh how they would love to be able to do so. Then the masters of the I.M.F. could manipulate the world economy any way they pleased. It would then be an international Federal Reserve System, with a World Currency, and boom and bust could be arranged in any country with the scientific accuracy of a computer.

David Rockefeller, the world's preeminent international banker, is very interested in this. With a World Currency, he and his allies could permanently rig the international commodity and energy markets and dominate governments by controlling the availability of money to the debt-ridden nations. Rockefeller, you will recall, is not only head of the Council on Foreign Relations, but founder of another *Insider* gang called the Trilateral Commission. The latter's Task Force Report titled "Toward A Renovated World Monetary System" states:

"A renovated system needs to place the new Special Drawing Rights (SDRs) in a position of primacy among reserve assets. SDRs, properly managed, can provide for adequate and controlled growth in world liquidity. Under the system of exchange rate parities that we envisage, all currencies including the dollar would be convertible to SDRs at a fixed but alterable price. The United States would be expected to finance any payments deficits by drawing on its holdings of Special Drawing Rights."

The Rockefeller Trilateral Commission, however, wants to change the name of S.D.R.s to something else. Again, you get one guess. If you need more than one, never leave town without your Teddy bear. "Towards A Renovated World Monetary System" continues:

"We can think of no more fitting term than 'bancor,' the designation J.M. Keynes used in his proposal for the creation of a postwar international financial institution, later to become the International Monetary Fund. We would, however, retain for some time the requirement that bancor be used only for financing balance-of-payments deficits, thus discouraging its use for the conscious shifting of reserve assets from one form to another."

It all makes a very neat scenario, doesn't it? The so-called conspiracy theory is clearly no mere theory. The evidence concerning its long-term activities is mountainous, and grows every year. But, because we are dealing with a conspiracy, there is much about it that we cannot discover at whim. That is where the theory comes in. We can only theorize about its structure and some of its plans, though it has made its goals abundantly clear in the journals and working papers of the Council on Foreign Relations and the Trilateral Commission.

Fortunately, the road to bancor is proving to be very rocky, and not all of the *Insiders* of the Conspiracy are yet willing to go along with it. The masters of Western Europe are rebelling, preparing to create their own reserve currency called the European Currency Unit, the E.C.U., which is to be backed by gold. What we are seeing is a lining up of Rockefeller paper money vs. Rothschild gold-backed money. The battle pits the Rockefeller-oriented I.M.F. against the Rothschild-allied Bank for International Settlements, a sort of international bank for European central bankers.

The Europeans want a sound currency with which to forge a regional supranational government and have lost faith in the dollar. This situation has been building for years. You will recall that we said at the beginning of this article that when Keynes and White created the I.M.F. they made the dollar the world's reserve currency. That was then just fine with the nations of the world because the dollar was convertible at the U.S. Treasury at thirty-five dollars an ounce. Since the U.S. possessed sixty percent of the world's gold reserves, you will remember, the dollar was virtually "as good as gold."

As time passed and Europe returned to prosperity, America began to have balance-of-payments problems. At the same time the purchasing power of the dollar was being eroded because the Federal Reserve was printing so many of them to meet huge deficits squandered on counterproductive socialist programs and war in Vietnam. Gold at thirty-five dollars an ounce began to look like a bargain and Europeans started exchanging their dollar deposits for U.S. gold.

In the early 1970s, because inflation had made the arbitrary thirty-five-dollar price outmoded, the Free Market price for gold in Europe rose to over forty dollars an ounce. Naturally, Europeans started converting their dollars for U.S. gold to take advantage of the rate. Incredibly, rather than raise the price of gold, U.S. policy makers decided to fight the Free Market price by throwing gold at it, dragooning European nations into forming the London gold pool which would sell gold in virtually unlimited amounts to all comers.

Whether this was stupidity or conspiracy, you can imagine what happened. Our policy makers said the supply was virtually unlimited; it turned out to be the number of buyers that was unlimited. Eventually the United States, which was supplying most of the gold, had to give up the ghost when the European partners pulled out.* But, while the Rockefeller flunkies in our government were damning gold as "archaic" and a "barbarous metal," and widely proclaiming that the I.M.F. must "break the formal tie to gold," and dumping on the market as much American gold as possible, the European central banks were buying. Our government fed gold into the London gold pool and the European central banks bought it.

Finally, in 1971, Richard Nixon had no choice but to "slam down the gold window." In 1973, the I.M.F. had to abandon the fixed exchange rates which were a key feature of the Bretton Woods agreement. Since that time currency values have been "floating" against each other, changing value according to supply and demand. And, now that the dollar was completely released from the constraint of gold, the U.S. really began to flood the world in a sea of green. As the supply of dollars increased faster than the supply of other currencies, the "floating" dollar began sinking like the *Titanic*.

While America continued to churn out huge amounts of printing-press money and to run enormous trade deficits, Germany, France, and other key Western European countries realized that the dollar was headed for oblivion. The Europeans rightly observed that replacing the dollar with bancor would amount to pouring gasoline on an oil fire. Under the leadership of the West Germans and the French, the Common Market nations moved to protect themselves from being buried in dollars by preparing to create the E.C.U.

Under an agreement reached at Bremen, each country joining the new European monetary system — which will also be open to some nations outside the Common Market countries, including Sweden, Switzerland, and Norway — will place twenty percent of its gold and dollar reserves in a central pool which will be denominated in E.C.U.s. Additionally, each country will contribute a comparable amount of its own currency to the central reserve, which might then have at its disposal as much as fifty billion dollars — more than the reserves of the I.M.F. The *Wall Street Journal* of

*Professor Antony Sutton, author of *The War On Gold*, believes that much of the gold that the government claims is in Ft. Knox actually went to the London gold pool. Credence is lent to this supposition by the fact that the current Treasury sales of gold initiated by Carter are now delivering coin-melt gold which is .89 fine instead of .99 fine, the only gold considered "good delivery" in foreign exchange. This could mean that the United States is near the bottom of the barrel of .99 fine gold.

July 12, 1978, reports: "As early as five years from now, predict the most optimistic aides, the Common Market could be ready for work on a single European currency to replace the existing national currencies, right down to actual paper money and coins."

The European central banks now hold as reserves half of all the world's monetary gold — eighteen thousand metric tons. The U.S. claims nine thousand metric tons.

Thus the new European monetary system was scheduled to be launched on January 1, 1979. But, only two weeks before, the French suddenly delayed things by demanding tariff concession on agriculture products. In France the farmers are highly organized and politicized and apparently they put great pressure on the d'Estaing Government. Nonetheless, no one seems seriously to doubt that there is an E.C.U. in Europe's future.

What does it mean? Are the Rothschilds and the Rockefellers at war? Is one wing of the Conspiracy at odds with another? Or are the Rothschilds and Rockefellers simply setting up a giant ping-pong game between paper and gold where one side will seem to be winning and then the other, making the opportunities for financial speculation absolutely enormous. We don't pretend to know the answer to these questions, and probably nobody outside of the *Insiders* does know.

But, regardless of whether the Rockefellers are at odds with the Rothschilds, or whether the two have teamed up for the biggest swindle in the history of the world, the matter is of only academic interest to Americans. The dollar is headed for Boot Hill in either case. In the short run, Carter propaganda may be able to rally the dollar, but never in the history of the world has paper bested gold. Paper may win a battle here and there, but gold will win the war. Ask yourself which you would rather own, dollars which are infinitely inflatable or an E.C.U. which is backed by gold. So would everybody else. Temporarily the O.P.E.C. countries may hang in with the dollar because they have so many billions of them. But the fellows in the desert bathrobes aren't about to take a long-term ride in our monetary submarine. If they start switching from the dollar to the E.C.U., and from the I.M.F. to the European monetary system, kiss the dollar goodbye.

Is there anything that can save the dollar from sinking to the value of sea shells? Yes, Congress could stop the gold hemorrhage before all our gold is gone. We could stop funding the I.M.F. and World Bank complex. If Congress approved Senator Jesse Helms' proposal to forbid deficit spending except during times of declared war, inflation in America would come to a grinding halt and the dollar would be saved. In the long run, however, we must realize that no money survives unless it is backed by tangible assets. The Treasury might have to stand ready to buy gold at five hundred dollars an ounce to compensate for the incredible printing-press inflation we have undergone during the past half dozen (Republican and Democrat) Administrations.

While all of this is admittedly tough medicine, it certainly beats paying twenty-five dollars for a Big Mac and not even getting French fries with it. And, that is what it could come to if this sickness is not stopped very soon. ■ ■