



## Vatican Council Calls for World Government, Central Bank

There is some debate over the extent to which the document presents the church's position on the matter. The council's president, Cardinal Peter Turkson, made it clear at the press conference that launched the paper that the statement was "not in any way the opinion of the pope," but solely of those who composed it. The council's secretary, Bishop Mario Toso, when questioned, said the document was reviewed only by the Secretariat of State and then released; the Pope had not read it. While press accounts have often referred to it as if it were a papal pronouncement, *National Review's* [George Weigel](#) insists that such attribution is "rubbish, rubbish, rubbish." "The document is a 'Note' from a rather small office in the Roman Curia," Weigel maintains, adding that it "doesn't speak for the Pope, it doesn't speak for 'the Vatican,' and it doesn't speak for the Catholic Church."



Woods, responding to similar criticism from a reader of his blog, argued: "I'm supposed to distinguish between the Pontifical Council and the Pope, you say. Fair enough. But did those people appoint themselves? Is Rome consistently surprised by how liberal its appointees turn out to be? Fewer and fewer people believe this anymore." Indeed, the council's recommendations mirror those of Pope Benedict XVI, who in a 2009 encyclical [called](#) for "a true world political authority" to, among other things, "manage the global economy."

As noted above, the council appears to have a good grasp of the underlying cause of the present financial distress:

In recent decades, it was the banks that extended credit, which generated money, which in turn sought a further expansion of credit. In this way, the economic system was driven towards an inflationary spiral that inevitably encountered a limit in the risk that credit institutions could accept. They faced the ultimate danger of bankruptcy, with negative consequences for the entire economic and financial system....

Since the 1990s, we have seen that money and credit instruments worldwide have grown more rapidly than revenue, even adjusting for current prices. From this came the formation of pockets of excessive liquidity and speculative bubbles which later turned into a series of solvency and confidence crises that have spread and followed one another over the years.

As [Jeffrey Tucker](#) put it, "Some people at the Vatican have gotten the message about the dangers of the



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fiat money system that generates unlimited amount[s] of credit, and even traced it all to the monetary reforms of 40 years ago.” Those “reforms” were the dissolution of the Bretton Woods system and the end of the dollar’s convertibility into gold under President Richard M. Nixon, turning the dollar into a purely fiat currency to be manipulated by the Federal Reserve. “Every problem we’ve had since — inflation, bubbles, credit addiction, bank racketeering — can be traced to this one act,” Tucker avers. The council, however, does not seem to understand that governments and their central banks were behind the inflation and credit expansion. Instead, the document blames “an economic liberalism that spurns rules and controls,” which is to say *laissez-faire* capitalism, and recommends even bigger, more centralized government and banking to prevent a recurrence. “This,” Woods remarks, “is a delusion, albeit a common one.”

In the United States we have 115 agencies that regulate the financial sector, and the Securities and Exchange Commission never had a bigger budget or staff than under George W. Bush. There has been a threefold (inflation-adjusted) increase in funding for financial regulation since 1980.... There is no repealed regulation that would have prevented the crisis consuming the world right now.

The banking industry is by far the least *laissez-faire* sector of the U.S. economy; it is a cartel arrangement overseen by the Federal Reserve and shot through with monopoly privilege, bailout protection, and moral hazard.

Having misdiagnosed the problem as too little regulation, the council then draws the faulty conclusion that it “seems obvious” that “a world political authority” is needed to prevent future economic meltdowns. The council goes on to describe its utopian vision of this global government. It “cannot be imposed by force, coercion or violence.” It must be “impartial” in its decision-making. It “should put itself at the service of the various member countries.” It should step in “only when individual, social or financial actors are intrinsically deficient in capacity, or cannot manage by themselves to do what is required of them.”

In other words, the council expects humans, given the opportunity to rule the world, to adopt selfless behavior entirely at variance with that which they display when put in charge of much smaller fiefdoms. Government, by its very nature, employs force. It is never impartial but always bends to the will of interest groups. It seeks not to serve but to be served unquestioningly. And it always finds ways to blame “market failure” or other perceived private-sector deficiencies for its continual interventions.

The document also calls for “some form of global monetary management.” “In fact,” it says, “one can see an emerging requirement for a body that will carry out the functions of a kind of ‘central world bank’ that regulates the flow and system of monetary exchanges similar to the national central banks.”

“This is beyond naïve,” observes Tucker. “It seems to illustrate a near total absence of clear thinking. Centralization of money and credit caused this problem. Centralization of political authority caused this problem. Why would anyone imagine that *more* centralization is therefore the answer? This approach takes a terrible situation and makes it much worse.”

Needless to say, such a governing body as the council envisions would necessarily erode the sovereignty of existing nation-states. The council suggests using the United Nations as a “reference” for setting up this world authority and is positively giddy with the thought that “this transformation will be made at the cost of a gradual, balanced transfer of a part of each nation’s powers to a world Authority and to regional Authorities.” The dangers of such a system are obvious.



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“In a world on its way to rapid globalization,” the council concludes, “the reference to a world Authority becomes the only horizon compatible with the new realities of our time and the needs of humankind.” It then goes on to caution readers of the lesson of the Tower of Babel (Genesis 11:1-9), which the council claims is “how the ‘diversity’ of peoples can turn into a vehicle for selfishness and an instrument of division.”

A fairer reading of that passage would, however, indicate that the lesson is not that “diversity” is dangerous but rather that centralized power is. God, after all, caused the diversity of language specifically to frustrate a unified humanity’s attempts to set itself up as a god. Had the council drawn the correct conclusion from Scripture, it would have thought twice before recommending that humans attempt once more to usurp the Lord’s role as ruler of the Earth.



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