

# THE CONSPIRACY

Planning For Economic Collapse

*by*

Gary Allen

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## Planning For Economic Collapse

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■ OUR NATION STANDS tottering on the edge of deep financial trouble. The facts are these: Americans are forbidden to own gold to protect themselves from the results of their government's runaway inflationary policies (the cost of living has increased 150 percent since 1940 and is rising now at the rate of almost five percent per year); foreigners are holding \$33 billion in claims against our government's supply of only \$11 billion in gold, threatening to completely destroy the dollar; and, the Administration continues to send abroad billions in foreign aid, increasing our adverse balance of payments and coming home to roost in the form of more claims on our dwindling gold supply. We are being held for ransom with our own money.

Collectively these factors, resulting from the deliberate policies of our government, portend a financial collapse of unprecedented severity in the most productive private economy the world has ever known.\* This time, our currency

will be totally unbacked by gold—even the gold cover on our pocket money having already been stripped away. When the panic comes, the crash could make that of 1929 look like a picnic. It has not happened yet, of course. It could even be stopped. But the situation is very serious indeed.

To unravel all of the chaos created in the economy by the intervention of Communists, Insiders, and government "experts" would require a volume so enormous as to cause *Atlas Shrugged* to seem like a nickel pamphlet. Yet we can tie down the primary causes of our impending economic crisis to the three inter-related factors of (1) gold drain, (2) planned inflation using the central banks, and (3) foreign aid.

Many of the Insiders who created the crisis situation have passed to their just rewards in warmer environs, but their ruinous programs have lived on—perpetuated by Democrat and Republican Administrations alike. And, while a controlled Press and the cover of time have tended to dignify many of those who promoted these disastrous policies, an economically concerned America now seems ready to re-evaluate both the policies and their proponents. It is with this in mind that we begin a brief historical survey of how America has been brought to the door of impending economic disaster.

### I

STEP NUMBER ONE on the road to this financial debacle was taken in 1913 with

\*The 1929 Depression also occurred when America's productive capacity was at the highest it had ever been.



the establishment in the United States of central banking, through the quasi-private Federal Reserve Banks. America had been warned, of course, by Thomas Jefferson:

*If the American people ever allow private banks to control the issue of their currency, first by inflation and then by deflation, the banks and corporations that will grow up around them will deprive the people of all their property until their children will wake up homeless on the continent their fathers conquered.*

But, even by 1913, Jeffersonians were no longer in power, and America slept. The manipulators were Marxists, revolutionaries who knew very well what they were doing. Lenin had said that the institution of central banking amounted to the accomplishment of ninety percent of what was necessary to establish socialism. And, Lenin knew what he was talking about.

The story of those who worked so assiduously to bring central banking to America is long and enthralling. In capsule, the system was sold to the public as a means of curing "instability," and as a reflection of a "progressive era" moving toward "democracy." This, of course, was pap. Those promoting central banking were far from patriotic ideologues, but wealthy international intriguers — Insiders owing loyalty to no nation, least of all to the United States.

One of the most important of these Insiders was "Colonel" E. Mandell House, a financial and political manipulator who worked through his protégé,\* Woodrow Wilson, to achieve passage of the Federal Reserve Act. So completely under the influence of House was Wilson that the President even called the financier "my independent self."

House had bragged of his totalitarian

plans in his book, *Philip Dru, Administrator*, published one year before the establishment of the Federal Reserve. In that "novel of strategy" on the dictatorship being planned for America, Colonel House had used a conspiratorial protagonist to set up a central banking system with banking laws affording a "flexible currency" not based on gold, as a means of controlling the people. (*The Intimate Papers of Colonel House*, Page 154.) House and Wilson promoted just such a system.

The other primary champion of the Federal Reserve was Paul M. Warburg, a German immigrant who had come to America as a multimillionaire in 1902 to become a partner in the investment

\*Bernard M. Baruch notes on Page 141 of his book, *The Public Years*: "He [House] came to Baltimore in 1912 and helped get the nomination for Wilson. From the first days in Washington to the last days in Paris, the President relied on and trusted him implicitly and felt a personal affection for him which he felt for few other men."

"Without holding any official post in the Administration, House was by far the most important and influential of Wilson's lieutenants. In many ways he was Wilson's alter ego. But there is no doubt that the Colonel, despite his calm and quiet exterior and his loyalty to Wilson, gradually became intoxicated by power."

"I vividly remember calling at his home during the war, to discuss some problem. . . . I was astonished — and chilled — to hear him exclaim: . . . 'Isn't it a thrilling thing to deal with the forces that affect the destiny of the world?' It did thrill House, and the power which he unquestionably wielded fed his sense of importance."

Franklin D. Roosevelt's first move, following his nomination as President, was to visit House at the latter's home in Magnolia, Massachusetts. The "Colonel" had been responsible for naming F.D.R. as Assistant Secretary of the Navy during World War I. (See: Rose Martin, *Fabian Freeway*, Western Islands, Boston and Los Angeles, 1967, Page 262.)

In 1933, "Colonel" House wrote of President Roosevelt: ". . . Congress proved itself equal to the emergency by giving him dictatorial powers. The wise and statesmanlike use of these powers has already given the United States a quality of world leadership it has had but once before in a brief period during the World War. . . . Had Congress failed so to respond, my experience convinces me that the next desperate thought of our people would have created a dictatorship of an extremely radical character, rather than the moderate, beneficent dictatorship under a Wilson or a Roosevelt." (See: Earl Looker, *The American Way*, John Day Co., New York, 1933, Pp. vii-viii.)



banking firm of Kuhn, Loeb & Company in New York. Instead of devoting his time to banking and finance, however, Warburg set to work championing "monetary reform," advocating establishment of a private central banking system along the lines of those manipulated by international conspirators in European countries. After passage of the Federal Reserve Act, Paul Warburg became the first Chairman of the Board of Governors of the Federal Reserve.

Warburg's partner in Kuhn, Loeb & Company, Jacob Schiff, was also active in the conspiracy — spending the incredible sum of \$20 million to bankroll Communist revolution in Russia.\* Warburg's brother Max, in Hamburg, was among the major financial angels of Lenin and Trotsky during the 1917 Revolution.†

Once central banking had become a reality, the road was soon cleared for the creation of a crisis which would provide the excuse for abandonment of the gold standard and the establishment of complete control over credit and banking. The Federal Reserve did this by keeping interest rates artificially low during the 1920s, expanding credit, and thereby stimulating borrowing for over-expansion. The orgy of borrowing and stock market speculation pumped up

the American economy like a gigantic balloon as between June 1921 and June 1929 the money supply was increased by a startling sixty-two percent. The Federal Reserve in June of 1929 calmly stuck a pin in the balloon by reversing its easy money policies and contracting credit.§ In October the walls came tumbling down, opening the way for the great move to the Left called the New Deal.¶

School children today study the New Deal as a catechism of democracy — with its leader, Franklin D. Roosevelt, the patron saint of downtrodden and despoiled masses; a saint who provided bread and fish not for a paltry five thousand, but for tens of millions. Any failure of the New Deal to produce instant Nirvana is dismissed by purporting that its program was a series of experiments, some more successful than others.

But, while the New Deal's "experiments" were economic monstrosities, the Insiders and planners behind it knew exactly what they wanted and where they were going. Though their schemes were based upon fiscal absurdities and produced economic chaos, every well calculated move increased the control of government over the economy and over the people.

Contemporary historians make the mistake of focusing much attention on the personality of F.D.R. and little on the ideological and even conspiratorial commitment of those who did his thinking for him. For example, few know that the New Deal took its name from a book called *A New Deal*, by Stuart Chase — who had served on the editorial staff of the official Communist publication, *New Masses*. The book, published in 1933, pointed the way toward a planned economy using the central banks to assure a managed currency. It was, not surprisingly, bankrolled by the Far Left's Twentieth Century Fund.‡

\*"Today it is estimated by Jacob's grandson, John Schiff, a prominent member of N. Y. society, that the old man sank about 20,000,000 dollars for the final triumph of Bolshevism in Russia." (Cholly Knickerbocker in the *New York Journal-American* of February 3, 1949.) Another of Jacob's heirs, Dorothy Schiff, now owns the ultra-Leftist *New York Post*.

†*Papers Relating to the Foreign Relations of the United States-Russia*, 1918, House Document No. 1868, U. S. Government Printing Office, Washington, 1931, Vol. I, Pp. 374-376.

§For a detailed account of the real causes of the Depression, see Murray Rothbard's *The Great Depression*; or, for a less detailed synopsis, see Richard Grant's intriguing and highly readable story of capitalism, *The Incredible Bread Machine* (reviewed elsewhere in this issue).

¶It is interesting to note that the years set for the conspiratorial horrors by House's book were 1920-1935.

‡The Fund is still operating, promoting foreign aid, trade with Communist countries, and Welfare



Stuart Chase, a Harvard product who did graduate work at the *New Republic*, described the program for the New Deal this way:

*Best of all, the new regime would have the clearest idea of what an economic system was for. The sixteen methods of becoming wealthy would be proscribed — by firing squad if necessary — ceasing to plague and disrupt the orderly processes of production and distribution. Money would no longer be an end, but would be thrust back where it belongs as a labor-saving means. The whole vicious pecuniary complex would collapse as it has in Russia.*

*Money making as a career would no more occur to a respectable young man than burglary, forgery, or embezzlement. "Everyone," says English economist John Maynard Keynes, "will work for the community and, if he does his duty, the community will uphold him. Money making and money accumulating cannot enter into the life calculations of a rational man in Russia. A society of which this is even partially true is a tremendous innovation." (Stuart Chase, *A New Deal*, The Macmillan Company, 1933, Page 163.)*

Chase — who gave the name to Roosevelt's program — was not only an avid admirer of economic "planning" as practiced by the Commissars under Stalin, but also, as he indicates, an apostle of economist John Maynard

programs. Officers and trustees in 1967, included Adolf Berle, Arthur F. Burns (former Chairman of the President's Council of Economic Advisors), Erwin Canham (Editor-in-Chief of the *Christian Science Monitor*), Benjamin V. Cohen Jr., J. Kenneth Galbraith, David E. Lilienthal, Julius Robert Oppenheimer, Arthur Schlesinger Jr., Christian Sonne (Chairman of the National Planning Association), Charles P. Taft (formerly President of the Federal Council of Churches), and Robert S. Lynd (father of the notorious Marxist, Staughton Lynd).

\*Later he served as a top executive in both T.V.A. and U.N.E.S.C.O.

Keynes, darling of the lavender set and the tin god of all economic "planners" from those of the Great Society of Adolf Hitler to the political theorists designing for Lyndon Johnson. Shortly after Roosevelt's election, Stuart Chase was appointed by Roosevelt to the Federal Resettlement Administration and in 1939 the President named him a member of the Securities and Exchange Commission.\*

It was under the malevolent stare of totalitarians like Chase — who ended his New Deal book by proclaiming: "Why should the Russians have all the fun of remaking the world?" — that businessmen were now expected to function, invest, and produce.

The most important and influential of the Ivy League insiders in developing the plans of the New Deal was Professor Rexford Guy Tugwell, described by Ernest K. Lindley, sympathetic author of *The Roosevelt Revolution*, as the "philosopher, the sociologist, and the prophet of the Roosevelt Revolution, as well as one of its boldest practitioners; he has provided the movement with much of its rationale."

Early in June of 1933, the *Baltimore Sun* reported: "Dr. Tugwell is an irrevocable part of the New Deal. . . . He is the prime planner . . . with the most farsighted schemes. . . ." At the same time, even Walter Lippmann wrote: "There is a group, among whom Professor Tugwell is the most conspicuous, who may, I suppose, fairly be called collectivist." The *New York Herald Tribune* of June 5, 1933, commented: "Professor Tugwell's leverage for action lies not in the rank of his official position, but in his subtle and powerful mind. It lies also in the closeness of his association with President Roosevelt."

Tugwell, like Chase devoted to Russia's "great experiment" and a disciple of Keynes, is treated by most Establishment historians as but the primary Braintruster helping F.D.R.



forge the New Deal. Few ever knew that Professor Tugwell, who served in 1929 on the Socialist Party Campaign Committee for Norman Thomas, was so dedicated a Marxist that he had been a member of the staff of the First American Trade Union delegation to Russia, denounced by the American Federation of Labor as a Communist ploy. Tugwell even co-authored with Stuart Chase a pro-Soviet rhapsody compiled by the delegation upon its return from Russia — a piece of propaganda sold in Communist Party bookstores throughout the country.

Establishment historians will little note nor long remember (if they can help it) a speech given by Presidential advisor Rexford Tugwell before the American Economic Association in December 1931, entitled "The Principles of Planning and the Institution of *Laissez-Faire*." In that speech this Insider so close to the President laid out the future for the "planned" economy whose fruition we are now witnessing:

*The interest of the liberals among us in the institutions of the new Russia of the Soviets, spreading gradually among puzzled businessmen, has created wide popular interest in planning as a possible refuge from persistent insecurity. . . .*

*The institutions of laissez-faire have become so much a part of the fabric of modern life that the untangling and removing of their tissues will be almost like dispensing with civilization itself. . . .*

*The first series of changes will have to do with statutes, with constitutions, and with government. . . . It will require the laying of rough, unholy hands on many a sacred precedent, doubtless calling for an enlarged and nationalized police power for enforcement. . . . There is no private business, if we mean by that one of no consequence to anyone but*

*its proprietors; and so none exempt from compulsion to serve a planned public interest. . . . Planning will necessarily become a function of the federal government; either that or the planning agency will supersede that government. . . .*

*It has already been suggested that business will logically be required to disappear. This is not an overstatement for the sake of emphasis; it is literally meant. . . . To take away from business its freedom of venture and expansion, and to limit the profits it may acquire, is to destroy it as business and to make of it something else. . . . A kind of civil service loyalty and fervor will need to grow gradually into acceptance.*

*There is no denying that the contemporary situation in the United States has explosive possibilities. The future is becoming visible in Russia.*

In his speech, this important Presidential advisor damns *laissez-faire* for "its irrational allotments of individual liberty." The cure for all of this irrational allotment of freedom, he said, is "planning" by a powerful government body: "A central group of experts charged with the duty of planning the country's economic life, but existing as a suggestive or consultative body only, without power, has been advocated by numerous persons and organizations. It is quite impossible to visualize a genuine Gosplan [Russian five-year plan] without power. . . ."

But, such an advisory body—according to the "number one Brain Trustee" who was the "prime planner" of the New Deal — would pave the way for total socialization: "In spite of its innocuous nature, the day on which it [the advisory body] comes into existence will be a dangerous one for business, just as the founding day of the League of Nations was a dangerous one for nationalism. There may be a long and lingering



death, but it must be regarded as inevitable.\*

The lingering death has taken thirty-five years, but Professor Tugwell's predictions are coming true. And the Professor works on—now as a part of the Left's important Center for the Study of Democratic Institutions.

Both Chase and Tugwell constantly lavished praise on one Lewis L. Lorwin as the most effective pioneer in the field of economic "planning." Lorwin may be one of the more significant figures in American history, yet he has gone virtually unnoticed by historians. In his paean of praise to bureaucrats, *Economics in the Public Service*, Edwin G. Nourse credits Lewis Lorwin with the idea that the President should have a council of economic advisors (Nourse, of course, served on Truman's Council of Economic Advisors), noting that: "The idea of economic councils was stimulated by the writings of Lewis L. Lorwin whose booklet on Advisory Economic Councils was published by the Brookings Institution in 1931. . . ."

Curiously, Mr. Nourse doesn't tell us anything concerning the background of the mysterious Mr. Lorwin, who is supposed to have fathered the establishment of our economic overlords "under" the President. Dr. Lorwin's shady past was brought out, however, in 1947, by two Congressmen who became concerned about his role in establishing the nearly

incredible giveaway that was the Marshall Plan.

The man known as Lewis Lorwin appeared in *Who's Who in America* for several decades, but reference to him stops after 1948. Lorwin was born near Kiev, Russia, on December 4, 1883. He published under both the name Louis Levine and Lewis Lorwin, and older issues of *Who's Who* cross list him under both names. Educated in Russia, Switzerland, France, and New York, Lorwin received his Ph.D. from Columbia in 1912. The same year he married a charming graduate from Stanford University named Rose Strunsky, an active anarchist belonging to an organization known as the League for Amnesty for Political Prisoners, headed by revolutionaries Emma Goldman and Alexander Berkman.

Before settling down to his career as an "intellectual" and "planner" for the Roosevelt Administration, Lorwin was himself an active revolutionary. Speaking before Congress on April 23, 1947, Representative Alvin E. O'Konski of Wisconsin revealed that between 1903 and 1906 Dr. Lorwin was in Europe and apparently involved in the Communist Revolution of 1905:

*Now Leon Trotsky was in the United States in 1902, it can be shown, and he went back to Russia for the revolution in 1905. It is possible that Trotsky, Levine [Lorwin] and [Sidney] Hillman† could have hooked up somewhere over there in Lithuania or Russia during those bloody days.*

*Now the reason I have gone into this historical background of the Bolshevik uprising is that there is some evidence before Congress that Dr. Lorwin may actually have been mixed up in some way in the fracas in 1905 to 1907. . . .*

*Congress has a record of a colloquy that took place in Dr. Lorwin's office*

\*Tugwell's speech was read aloud to Congress when it was debating his appointment to the official post of Undersecretary of Agriculture. So cowed was Congress by the New Deal that Tugwell's appointment was approved despite his incredible views. As the *New York Tribune* said at the time: "The significance of Tugwell's confirmation by the Senate will lie in the fact — assuming it happens — that one of America's two great historic parties, acting through its representatives in the Senate, knowing Professor Tugwell to be a collectivist, confirmed his appointment to a high public office in which he would have opportunity to push forward his doctrines."

†Roosevelt's Director of the Office of Production Management and chief of the labor division of the War Production Board, of whom F.D.R. often said: "Clear it with Sidney."



between two of his associates, and it goes something like this. . . . "Dr. Lorwin has been a lieutenant of Trotsky. He fled with Trotsky across hundreds of miles, hiding out at night. Trotsky wanted Dr. Lorwin to go on with him, but Dr. Lorwin after a conference with friends, came to America instead with Sidney Hillman."

There is also testimony before a Congressional committee that Dr. Lorwin had been identified by a close associate as a Communist.

Lewis Lorwin was apparently directed by his superiors to proceed to America with Sidney Hillman and become active in the Communization of America under the guise of economic "planning" rather than bomb-throwing.\* It's cleaner, healthier, pays better — and besides, who dares say he is opposed to "planning"?

Among the planning organizations with which this father of the President's Board of Economic Advisors affiliated himself was the Institute for Pacific Relations, later cited by the Senate Internal Security Subcommittee as an important Communist Front. Dr. Lorwin was in 1929 a delegate to the Third I.P.R. Conference (which he attended by way of Russia) at Kyoto, Japan; to the I.P.R.'s Fifth Conference at Banff in 1933; and, to its Sixth Con-

ference at Yosemite National Park in 1936. In 1925, he presided at the People's Lobby Convention where that organization's platform called for nationalization of all national resources, transportation, and banking.† Lorwin was also active with the coterie of Leftists frantically working for diplomatic recognition of the Soviet Union so that the Communists could acquire an extension of credit in the world's markets.

Although he obtained a number of very important jobs in the New Deal, including that of assistant to Secretary of Agriculture Henry A. Wallace, Dr. Lorwin's most significant contribution to the Communist Conspiracy was his work promoting the establishment of that "economic advisory council" for the President, and his founding of the highly influential National Planning Association. As Professor Nourse states: "The 'planning movement' . . . came to expression in 1934 in the establishment of a private study and promotional group known as the National Economic and Social Planning Association," organized by Lorwin and *New Republic* editor George Soule.

The propaganda arm of N.E.S.P.A. in the Thirties was *Plan Age*, a magazine featuring not only the writings of Communist Lewis Lorwin, but also such noteworthy "Liberals" as Adolf A. Berle, Clark Kerr, and Milton Eisenhower, along with countless articles and bibliographies on "planning" in the "planners' paradise," the Soviet Union.‡

In 1939, N.E.S.P.A. changed its name to become the National Planning Association, which has over the years proved most effective, many of its members and associates holding powerful positions in the government. As a current National Planning Association pamphlet notes: "Every year since the N.P.A. was organized in 1934, its reports have strongly influenced our national economy, U.S. economic policy and business decisions." That could be

\*Not that Lorwin couldn't turn out an incendiary phrase, as in this statement: "A violent revolution is necessary to seize the powers of Government. Violent methods must be used afterwards to eliminate the capitalists and the large landholders who are hostile to the Socialist idea. . . . The violence involved . . . can diminish in severity only as the workers succeed in establishing their power and in destroying resistance to the construction of socialism." (*Congressional Record*, April 24, 1947, Pp. H4006-H4007.)

†The President of People's Lobby was socialist John Dewey. Directors included Rexford Guy Tugwell and Stuart Chase. The Lobby was financed by the Garland Fund, a substantial supporter of Communist causes.

‡*Plan Age Indexes*, Volumes III and IV.



recorded as the understatement of the year.

## II

THE RELIGION of the "planner" is *control*; control over the lives and property of other human beings. Before the Insiders can rule a free people, they must first gain control over the people's money. The most effective way to establish this control is to pass laws requiring the surrender of precious metals in exchange for the government's "managed" paper currency. Collectivists naturally oppose the free trade of gold; after all, a man who owns gold has *independent* wealth. Gold is a durable precious metal in demand in art, jewelry, dentistry, electronics, and industry, and no money manager can make it worthless. A man with fiat paper money is *dependent* on the "money managers" who can manipulate its value — and thereby the people — by easily increasing or decreasing its supply.

Lenin knew that the capitalist economies of the world were founded on gold as a monetary standard. Hence, he attacked gold as one of the clubs which the *bourgeois* use to enslave the workers. To show his contempt for it, he promised that when the Communists' Workers Paradise was completed in the Soviet Union, the proletariat would pave public toilets with gold.

While F.D.R.'s "planners" and Brain-trusters were shy about citing Lenin as the source of their plan to remove America from the gold standard and institute instead a system of manipulation through a Board of Economic Advisors, they could, and did, point to the theories of the English economist John Maynard Keynes as provisioner of the proper sort of academic pap to justify establishment of their system of managed currency. Not all the squirrels in the New Deal cage were Red, of course, but all looked to Keynes as the fairy light guiding the way to a col-

lectivist Utopia (*Utopia*, incidentally, means: no such place).

Keynes had bragged that his theories would be the euthanasia of capitalism and made no bones about his hostility to the system of free enterprise. In the *Yale Review* for Summer of 1933, he wrote:

*The decadent international but individualistic capitalism, in the hands of which we found ourselves after the war, is not a success. It is not intelligent; it is not beautiful; it is not just; it is not virtuous — and it does not deliver the goods. In short, we dislike it and are beginning to despise it.*

But of course, to use the government to attack capitalism effectively, gold had to be completely nationalized. Keynes almost outdid Lenin in his disparaging of gold. According to him, gold is "absolutely worthless" and "sterile," and gold mining is comparable to pyramid building—useful only as make-work to ease the unemployment among moles and lunatics. Keynes claimed he did not think that gold had any worth at all and often declared that *he* could not understand the source of its value. The fact that nearly all men through the ages have valued the precious metal only indicated to the followers of Keynes that everyone else was congenitally stupid. In his thorough dissection of Keynes' economic hallucinations, Henry Hazlitt comments:

*It is true, as those critics are always insisting, that you cannot eat it [gold] or wear it; but it is more satisfactory than custard pies or overcoats as a medium of exchange. And it is enormously more satisfactory as a medium of exchange and a store of values . . . than paper money issued in accordance with political pressures or bureaucratic whim. (Henry Haz-*



Professor Ludwig von Mises in his great work, *Human Action*, explains:

*The international gold standard works without any action on the part of governments. It is effective real cooperation of all members of the world-embracing market community. There is no need for any government to interfere in order to make the gold standard work as an international standard. (Page 476.)*

It is now claimed by the Left that the 1920s proved that gold was an unworkable standard. Writing in *The Freeman* for July 13, 1953, Professor Mises noted: "The gold standard did not collapse. Governments, anxious to spend (even if this meant spending their countries into bankruptcy), intentionally aimed at destroying it."

There can be no doubt that Dr. Mises is correct!

In the election of 1932, F.D.R. campaigned as the all-time "Conservative," denouncing Hoover as a colossal wastrel and promising a balanced budget, a twenty-five percent cut in government spending, an end to the proliferation of government bureaus, and adherence to the gold standard. It was attractive bait but promptly forgotten as soon as Roosevelt was elected. The assault on gold began immediately, since private ownership represented a potential roadblock to the "planners'" schemes for introduction of a managed currency and creation of systematic inflation.

Step Number One in seizing the gold was taken on March 9, 1933, when Congress granted the Administration wide discretionary powers over money. On April fifth, a portion of this power was invoked as F.D.R. issued a Presidential order (Executive Order 6102) directing Americans, under heavy

penalty, to surrender their gold to banks which, in turn, would turn it over to the Treasury. In return the people were given paper; but this paper money was still thought to be gold-standard money which had always been exchangeable for gold, dollar for dollar, and Americans supposed that it would be so again, when the crisis passed. Not a word had yet been said about devaluing the dollar or repudiating the gold standard.

Step Number Two was repudiation. By resolution on June 5, 1933, Congress repudiated the gold redemption clause in all government obligations, noting that they would be payable when due in any kind of money the government might choose to provide. Gold redemption clauses in private contracts were invalidated at the same time. As Senator Thomas Gore, the blind lawmaker from Oklahoma, said to Roosevelt: "Why, that's just plain stealing, isn't it, Mr. Roosevelt?" F.D.R. soon purged Gore from office.

Step Three was the official nationalization of all gold in accordance with the Gold Reserve Act of January 30, 1934, which gave to the government official title to the metal. The gold was paid for in "gold certificates," but these failed to mention just what value in gold they represented. Economic expert Benjamin Anderson, testifying before the Senate Committee on Banking and Currency, protested the vague nature of these "certificates." Thereupon he "was taken aside by one of the administration Senators who grinned and said, 'Doctor, you don't understand about these certificates. These are not certificates that you can get gold. These are certificates that gold has been taken away from you.'"

Now, with all America's gold in the hands of the government, the rest was anticlimactic. In accordance with the Gold Reserve Act the President finally

\* Benjamin Anderson, *Economics and Public Welfare*, Pp. 348-349.



devalued the dollar by about forty percent, raising the price of gold from approximately twenty dollars to thirty-five dollars an ounce. The government made a "profit" of some \$2.8 billion since the paper dollars with which it had purchased the gold were now sharply depreciated in value.

The Associated Press reported that as F.D.R. signed the gold devaluation bill he turned to Secretary of the Treasury Henry Morgenthau, and asked: "Now that I have signed it, is it all right? I have not read it." Morgenthau answered, "I have not read it either, but the experts say it is all right."\*

Congressman Harold McGugin of Kansas maintained that the legislation had not even been read by Congress, but was passed on the demand of the President. The American people, the Congressman said, "should know whether or not such legislation has been written by men whose philosophy of government is in keeping with the Constitution or by men whose philosophy of government is entirely foreign

to the Republic under the Constitution."† Presumably, Representative McGugin had read the writings of Chase, Tugwell, Lorwin, and other Insiders and knew the answer to that question.

In 1934, the individual American citizen lost control over his money to the State. Karl Marx' fifth rule for Communizing a country, as stated in the *Communist Manifesto*, calls for: "Centralization of credit in the hands of the State, by means of a nation's bank with State capital and an *exclusive monopoly*." That had now been essentially accomplished. When Roosevelt took us off the gold standard, Keynes wrote that "President Roosevelt is magnificently right," and was exultant in his belief that F.D.R.'s policies "lead to the managed currency of the future."§

Of course, while the government could force the people to use fiat paper money or go to jail, it could not force foreigners to accept junk money in international trade. To keep such trade from grinding to an immediate halt, the government had to allow foreigners to do what its own citizens could not do: redeem dollars for gold. As you are undoubtedly aware, in the face of our "planned" inflation, foreign citizens and their governments have been doing so at an alarming rate.‡

The Conspirators now had a very firm hold indeed on the American economy.

In October of 1942, the War Production Board issued Order Number L-208, declaring it illegal for American gold miners to obtain necessary equipment which they already had on order, or might order in the future, and making owners of gold mines subject to a \$10,000 fine and prison sentence if they used certain machinery and equipment which they already owned. This incredible order virtually wrote the end to gold mining in America. Although the order which closed American gold mines was proclaimed by Donald Nelson, Chairman of the War Production

\*Congressional Record, March 29, 1934.

†Ibid.

§Dan Smoot Report, February 19, 1962, Page 64.

‡In commenting on the two-price gold system set up by the President on March 17, 1968, under which no private citizen anywhere in the world may now trade U.S. dollars for U.S. gold, Peter B. Greenough noted in the *Boston Globe* of March eighteenth: "What kind of an international banking system is it that has two windows — one marked 'Gold at \$35 an ounce' and another, in effect a backdoor aperture, proclaiming 'Come and get it for \$45, or name your own price?'"

"A mighty peculiar one, to say the least."

"It will buy time and breathing space for perhaps six months. But no more."

"This is the consensus of monetary specialists and bankers in . . . analyzing the two-tiered gold plan arrived at Sunday by the seven 'gold pool' nations. . . ."

"Paul A. Samuelson, world-renowned M.I.T. economist, thinks 'such a system probably could last through next November.'"

"Others from Harvard and Tech, who did not wish to be identified, compare the plan to the legendary Indian rope trick."

In other words, they hope to hold the explosion until after the elections. They can't hold it any longer. Well, we shall see!



Board, it was written by Harry Dexter White, later established by the Federal Bureau of Investigation to be an espionage agent for the Soviet Union.

Much of this gold-mining equipment was shipped to the U.S.S.R. with Number One priorities as wartime Lend-Lease. In his *From Major Jordan's Diaries*, George Racey Jordan produced a record of \$66 million worth of American gold-mining equipment which was given to the U.S.S.R. during World War II. Of course, the Major's records covered only that portion of such machinery with which he had direct contact.

When the War Production Board order expired, only one major mine, the Homestake, reopened. The antiquated \$35 price, plus inflated costs of new equipment, made the reopening of old mines impractical. In addition, many of the American mines had flooded while closed and would have required millions in investment to pump out and restore to production.

Communist Harry Dexter White ac-

tually ran the Treasury Department during World War II,\* and his plan to shut down American gold mines and transfer mining equipment to Russia could have had but one purpose: to destroy the gold-mining industry of this country and support such mining in the Soviet Union so that the balance of economic power in the post-war world could be shifted from the United States to the U.S.S.R. The plan is simple: With our gold production destroyed, when the American gold reserve is gone our currency will become worthless in international trade and the Soviets will own a major portion of the world's supply of gold.

When the accounting comes, with America completely denuded of gold—even as backing for our currency—we will quickly find ourselves in a depression, shut out of serious international world trade. Our dominant position in the world may then pass to the Soviets, courtesy of Harry Dexter White and the Insiders who have put us in this position and kept us here.†

### III

ONCE OUR GOVERNMENT had confiscated the people's gold, of course, the Presidential "planners" soon embarked on the road of programmed inflation. As Stuart Chase had written in his advocacy of the abandonment of gold, "Of course, currency can be kept in line deliberately, if men are so disposed—by a 'managed' currency [which] *laissez-faire* will not permit."‡ The New Deal economists claimed that America now had a "mature" economy, since there were no more frontiers to settle and everything that could possibly be invented had already made its appearance. Since the economy was mature, it could only be sustained by large infusions of government dollars either taxed from the wicked rich or run off on the printing press.

New Deal policies of monkeying with

\*The December 29, 1953 issue of *Look* notes that "eight days after Pearl Harbor, Order 43 empowered White to assume 'full responsibility for all matters with which the Treasury Department has to deal having a bearing on foreign relations.'" White sat for Secretary of the Treasury Morgenthau on no less than eighteen interdepartmental and international committees of the highest importance. According to Dan Smoot in *The Invisible Government*, "Harry Dexter White virtually ran the Treasury Department under Presidents Roosevelt and Truman."

†Even after White was exposed as a Soviet spy by J. Edgar Hoover, Attorney General Herbert Brownell, and a number of former Communists with whom he had worked, our Leftist leaders did not move to rectify or reverse the policies for which he was responsible. Indeed, they pulled the hangman's noose tighter. On January 14, 1961, just prior to leaving office, President Eisenhower, who had continued the "managed currency" policies of the New Deal, issued an Executive Order forbidding even the ownership of gold overseas by American citizens. The Eisenhower decree was directed against Americans who, foreseeing the disastrous consequences of their own government's policies, might try to salvage some of their savings by buying gold abroad and storing it in foreign banks.

‡Stuart Chase, *A New Deal*, Page 33.



the money had quite naturally dried up private capital. Senator Carter Glass exclaimed in dismay, "No man outside of a lunatic asylum will loan his money on a farm mortgage!" But the Brain-trusters and their economic "planners" were more than prepared to fill the vacuum in private credit which had been created by their policies. With government lending organizations such as the Rural Finance Corporation, the Farm Credit Administration, and Home Owners Loan Corporation, the financial capital of the nation was no longer in New York City; it was in Washington, D.C. "Washington," said Roosevelt grandly, "has the money and is waiting for the proper projects to which to allot it."

Again, it was Keynes whom the Insiders cited to legitimize their planned inflation. In the Keynesian pseudo-philosophy, the villain is he who saves and the hero is he who spends. A public debt becomes a "public blessing" and the further in debt a government goes, the better off it is. On December 31, 1933, John Maynard Keynes ran an open letter to President Roosevelt in the *New York Times*, urging that America spend itself into prosperity through all kinds of federal programs to be financed by inflating the currency. Following suit, the President's "economic advisors" told him the reason the Depression was not yet cured was that he was just not spending *enough* money; after all, the national debt was nothing to worry about because "we owe it to ourselves." Roosevelt, like politicians in all history, was naturally elated to hear that he was not spending enough.

Keynesian economists were shouting that it was impossible to spend too much, that we could spend virtually to infinity. A Harvard Professor proclaimed that a national debt of a thousand billion dollars would be *desirable*. Others claimed that a three-to-five percent rise in the cost of living

each year was healthy for the economy. One labor union economist wrote: "Deficits in the federal government's fiscal operations have an expansionary impact on the economy — they add to sales, production and employment."

Of course, contrary to the prevailing myth, inflation and the other machinations of the New Deal "planners" did not get us out of the Depression. The depths of the Depression were hit in 1934, after Roosevelt had been New Dealing for some two years. The Brain-trusters had scored a new first: a depression within a depression. Employment was down a full five percent in 1938. In 1940, there was a greater percentage of unemployed Americans than in 1937. Then, like other socialist "planners," the New Dealers found war a handy salvation.

#### IV

WHEN F.D.R. took office the United States had a national debt of \$19 billion. President Hoover, denounced by Franklin Roosevelt in the 1932 campaign as a reckless spendthrift, operated on a Budget of \$4 billion. In the next nine peacetime years, F.D.R. and his Keynesian advisors had managed to quadruple the Budget while running up an inflationary debt of \$31 billion and starting us on our road to \$190 billion Budgets and a currency crushing \$350 billion debt.

Government deficits are paid for by inflation — the printing of paper money or the creation of bank credit. It has amounted to a systematic debauching of the nation's currency. Lenin well knew the effect of this. Keynes also knew it; for, as he wrote in his *Economic Consequences of the Peace*:

*Lenin is said to have declared that the best way to destroy the capitalist system was to debauch the currency. By a continuing process of inflation, governments can confiscate, secretly*



*and unobserved, an important part of the wealth of their citizens. . . . Lenin certainly was right.*

Keynes and Roosevelt both knew that what Lenin had preached, Lenin had practiced. John Maynard Keynes and the President who acted upon his advice were well aware that after the Reds seized power in Russia they used the printing press to destroy the people's savings and redistribute the wealth by sharing the poverty. In 1921, Communist economist Eugene Preobrazhensky had even dedicated a book to the "printing-press of the People's Commissariat of Finance," which he described as "that machine-gun which attacked the bourgeois regime in its rear — its monetary system — by converting the bourgeois economic law of money circulation into a means of destruction of that same regime and into a source of financing the revolution."\*

The Soviet Commissar of Finance announced in March 1922 that the current month's supply of new fiat money was twenty-two or twenty-three trillion, he couldn't remember which. Needless to say, Soviet production and trade sank to zero. Finally, in 1923, with the damage done and the revolutionary goal accomplished, the Communists had re-established a gold-backed currency to end the economic chaos.

Yes, even if Roosevelt did not, Keynes knew very well what he was doing. He was simply opening the door for the application in the United States of the already tested Communist economics.

Inflation, of course, would naturally appear to politicians like Roosevelt to be an attractive way to solve problems. Everyone thinks he wants more money. But what people really want is more wealth; and wealth comes from production, not from unbacked currency.

Since our economy is in effect a giant

auction with millions of buyers and sellers, increasing the money supply without increasing production merely induces buyers to bid up prices. Inflation, which is the injecting of counterfeit or unbacked currency into circulation by the government, has been called the "economics of addiction"; for, like the dope addict, an inflated economy requires continuously larger and larger doses to keep going. The counterfeit currency bids up prices creating a false boom and causing businessmen and customers to borrow and spend unwisely. Factories are built or expanded to produce goods for which no real market exists. When this becomes apparent, a recession or depression occurs. The only way to postpone this politically disastrous event is with another wave of inflation. When the addict doesn't get his narcotic, he suffers painful withdrawals (*deflation*, in the economy, leading to recession or depression), so he seeks more drugs.

The use of "systematic" and "controlled" inflation was sold to the public by the Keynesians as the "New Economics." It was lunacy. Keynes' magic multiplier of inflation adds up like this: You put a fiat dollar in the economy and get an economic multiplication which amounts to one over one minus the Marginal Propensity to Consume (which is the percentage change in Consumption over the percentage change in Income). That, of course, is always equal to three, or maybe five.

Got that?

Neither did anybody else! It is the hokum of a con man, cranked up for academic boobs. Though, of course, it is the root of Keynes' inflationary economics.

Obviously, only the terminology of this New Economics was new. Inflation had been used by despots over and over again, throughout all history, and in every case had led to depression and often catastrophe. But, the Keynesians

\*William H. Chamberlin, *The Russian Revolution, 1917-1921*, Page 103.



and conspirators surrounding F.D.R. knew that, once an Administration began regular inflation, succeeding Administrations would be tempted by political expediency to continue the Keynesian policies, hoping to be able to avoid an accounting and passing the problem to the next Administration. The unhappy choice facing our current and future money managers is this: Stop the inflation and pay the inevitable price in the form of a recession or depression, or continue to debauch the currency with increasing doses of inflation, pricing our products out of world markets, until it takes a wheelbarrow full of dollars to buy a loaf of bread.

Yes, as Keynes said, Lenin knew what he was talking about. And Lenin had friends in the American government. One was the previously mentioned spy, Harry Dexter White, a Keynesian economist who joined the New Dealers in 1934 as a "financial expert," after serving as an instructor in economics at Harvard.

White, who used the dull-witted Secretary of the Treasury Henry Morgenthau as a Charlie McCarthy, even went so far as to ship printing plates and inks for the manufacture of our European occupation currency off to "our noble allies," the Russians, who used them to counterfeit pay for their soldiers in Germany. The Soviet troops in turn traded the counterfeit money for goods, and it was redeemed in American dollars. It was quite a money-saving device—for the Russians—but it cost the U.S. taxpayers at least \$250 million, much of which may have been returned for gold.

But the currency caper was peanuts compared to White's major accomplishment, the International Monetary Fund and its companion, the International Bank for Reconstruction and Development—soon to be headed by Robert Strange McNamara. Soviet agent White was America's negotiator at the Bretton Woods Conference which established

the International Monetary Fund and the World Bank.\*

Serving as White's assistant at Bretton Woods was another Communist named Virginius Frank Coe. When questioned about his activities as a Communist agent, Coe invoked the Fifth Amendment. Subsequently, he was appointed as a \$20,000 a year Secretary of the I.M.F., a post he held for many years. Coe now works as an economic expert for the Government of Red China. Another of White's assistants at Bretton Woods, Communist William L. Ullman, also took the Fifth Amendment when presented with the evidence and asked if he too were a Communist spy. Others working in the Treasury Department with White who were identified under oath as Communists were Harold Glasser, Irving Kaplan, and Victor Perlo.

The International Monetary Fund, of course, was the fruition of years of work in tandem by the conspirators Keynes and White. In 1939, White had attempted to push through a plan for an All-American Bank which was quickly killed by Congress. Two prominent Keynesians, Harvard Professor and Presidential Advisor Alvin Hansen and Adolf Berle (a member of the National Planning Association and advisor to Presidents Roosevelt, Truman, Kennedy, and Johnson) joined with White in 1941 to extend the central bank idea on an international scale. This was a worldwide extension of the Marxist concept of central banking as an anti-capitalist weapon. Keynes agitated for the idea in London, coordinating his efforts with White on the other side of the Atlantic.†

\*J. Edgar Hoover testified before the Senate Internal Security Subcommittee that "from November 8, 1945, until June 24, 1946, seven communications went to the White House bearing on espionage activities wherein Harry D. White's name was specifically mentioned." *Senate Internal Security Subcommittee Hearings*, November 17, 1953.

†Many Keynesians, including Keynes' biographer R. F. Harrod, see nothing wrong in White's role as a Communist agent. Harrod writes that in put-



Many Americans mistrusted Keynes. White kept cautioning him that there was strong Congressional suspicion of the whole matter of an international central bank. Therefore they arranged among themselves a kind of mock battle to allay the fears of critics. As Keynes' biographer, R. F. Harrod, states: "At heart he [White] admired and trusted Keynes. For diplomatic reasons a certain air of belligerence had to be maintained in public. . . . Behind the scenes they ultimately became great cronies. . . ." Lord Keynes, a homosexual, had many such "great cronies."

Keynes and the Soviet agents worked together at Bretton Woods hammering out the details for establishing the I.M.F. The line was that the International Monetary Fund would promote international trade and domestic prosperity by stabilizing the value of national currencies and maintaining fixed and dependable exchange ratios between them. All that was necessary, the conspirators blandly explained, was to make one key currency—the American dollar—directly convertible to gold at the then already artificially low price of \$35 per ounce (for foreigners, naturally, not Americans). The currencies of the world could simply be tied to each other by being tied to the dollar. Then every currency would support all the others and everything would be just dandy.

Keynes and White realized that the next step would be to cut loose from gold altogether and develop a one-

ting together the I.M.F., "the central figure was undoubtedly Harry White. . . . He was a very remarkable figure, who should be accorded an honorable place in British annals. . . . He had very solid intellectual quality and was an ardent admirer of Keynes' economic work. . . . (*Life of John Maynard Keynes*, Pp. 555-556.) The book was published three years after it was revealed that White was a Communist agent.

\**Ibid.*, Page 558.

†By the time you read this, America will have considerably less than \$11 billion in gold. Actually, our gold supply amounts to only about \$8 billion since approximately \$3 billion of what we dishonestly claim as "ours" is on loan from the I.M.F.

world, unconvertible, managed currency—in the hands of the Insiders and ensured by force.

That stability of currencies which "Liberals" claimed would result from the efforts of the I.M.F. proved to be a fiction, as every world currency has lost purchasing power since 1946 and virtually every one has been devalued; some, dozens of times. The attempt to wean the world from the harsh disciplines imposed upon politicians by gold has also presented problems. Today, the peoples and governments of the world (except apparently the American government) want gold more than ever. At the end of World War II, America had \$23 billion in gold and most of the rest of the world was flat broke. Now, through massive foreign aid expenditures and balance of payments deficits, we owe the rest of the world \$33 billion, payable in gold, and own less than \$11 billion in gold with which to meet the commitment.†

While the International Monetary Fund has naturally failed to destroy man's desire to protect himself from paper currency by owning gold, the organization has done irreparable damage to the United States. The Bretton Woods policies established by Communist agent White in 1944, and followed by our government without deviation since the end of World War II, were designed: (1) to build the industrial capacity of other nations, at our expense, eliminating the vast American industrial superiority; (2) to thereby take world markets — and much of the domestic market — away from American producers so that capitalist America would no longer dominate world trade; and, (3) to strip the United States of the great gold reserve, which had made our dollar the dominant currency on earth, by giving our gold to other nations at bargain-basement prices. (See *Dan Smoot Report*, August 29, 1966, Page 169.)



Anyone in doubt that White's scheme has been carried out should study the important speech given by President John F. Kennedy in late September of 1963 to the directors and members of the I.M.F., meeting in Washington. Speaking to Finance Ministers and banking representatives of 102 nations, Kennedy stated:

*Twenty years ago, when the architects of these institutions [International Monetary organizations] met to design an international banking structure, the economic life of the world was overwhelmingly, even alarming measure [sic] on the U.S. 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. . . .*

*This has come about. It did not come about by chance, but by conscious and deliberate\* and responsible planning. (New York Times, December 1, 1963.)*

For an American President to brag that he has made other nations strong by deliberately weakening his own will undoubtedly seem a shocking revelation

\*So deliberate was this effort that Communist Harry Dexter White was appointed by President Truman as U.S. Director of the I.M.F. on January 23, 1946—a full month after the President had been officially informed by the F.B.I. that White was a Soviet agent.

†As quoted by Undersecretary of State Spruille Braden in *Dan Smoot Report*, June 22, 1959.

§In 1946, Communist Lorwin and E. C. Ropes represented the Commerce Department in a trade mission to Russia (*New York Times*, June 20, 1946). The two returned with tales of the enormous market which existed in Russia if we would just extend endless credit to the Soviets. E.C. Ropes had expressed this conclusion in June of 1945, before even going to Russia, in *USSR—A Vast Post-War Market?* and *Soviet Russia Today*.

to many Americans. In slightly more than twenty years we have been reduced from the point where we owned sixty percent of the world's gold reserves to owing foreign nations three times as much gold as we have! If we are to believe President Kennedy, it was planned that way.

## V

THE PRIMARY TOOL for redistributing our gold to other nations has been foreign aid. Long before World War II, obscure but powerful Communists and socialists inside the American government were busy with plans to divide America's wealth with the rest of the world in compliance with the Marxist slogan: From each according to his ability, to each according to his need. As Stalin had explained:

*. . . It is essential that the proletariat of the advanced countries should render real and prolonged aid to the backward nationalities in their cultural and economic development. Unless such aid is forthcoming, it will be impossible to bring the various nations and peoples within a single world economic system that is so essential to the final triumph of socialism.†*

Such aid was, of course, forthcoming.

Among the most important groups lobbying to redistribute America's wealth was the National Planning Association, founded as you will recall by Communist Lewis L. Lorwin.§ The N.P.A. justified the kickoff for the interminable foreign aid program with the policy declaration that:

*The wide disparity of living standards between the United States and other countries . . . makes it imperative for us to help them hasten their reconstruction and the elevation of their standards to minimize the fric-*



*tion and suspicion engendered by these differences. World peace depends upon our helping to expedite the improvement in living conditions so that the peoples of all countries will gain renewed faith in the progressive advance of their economy.\**

The N.P.A.'s Committee on International Policy took the stand that, "A free and multilateral trade cannot exist

\*Today the N.P.A. carries on in the best traditions of its Communist founder, Lewis Lorwin. Its members continue to serve in high government positions as economic advisors to our Presidents, and support every imaginable type of government giveaway program both foreign and domestic. For example, N.P.A. spent two years compiling a report titled "Costs of Our National Goals," as an outgrowth of President Eisenhower's Commission on National Goals. Commenting on the N.P.A. Report, the *Wall Street Journal* noted: "By 1975 the gross national product will be approximately one trillion dollars. The realization of the 'national goals' will cost \$150 billion more than even that sizeable sum."

Some of the more celebrated members of Communist-spawned N.P.A. include: Gardner Cowles (publisher of *Look* magazine), Marion B. Folsom (Eastman Kodak Co.), and Paul Hoffman (U.N. Special Fund); Adolf Berle (Leftist advisor to Presidents and former member of the Council of Economic Advisors), Charles F. Brannan (former Secretary of Agriculture), Marriner Eccles (Federal Reserve Board), Sol M. Linowitz (Latin American advisor to President Johnson), Edwin Nourse (Council of Economic Advisors), Ralph McGill, James G. Patton (National Farmers Union), Elmo Roper (former Deputy Director of O.S.S. and pollster), plus representatives from every major labor union in the country. Contributing articles to recent issues of the N.P.A. magazine, *Looking Ahead*, were Sol M. Linowitz, Henry Ford II, John W. Gardner, and Eugene V. Rostow.

†Congressman Karl Mundt in 1948 was complaining that America was largely financing both sides of the Cold War just as we are doing today with the Vietnam War. Mundt told the House on March 24, 1948: "I think we should develop an attitude which is consistent and decide whether or not we in America propose to finance and support the forces opposing Communism or whether we propose to support the forces of Communism themselves—or whether, once again, we propose to support both sides. . . ."

Representative Mundt proceeded to present bills of lading for extensive shipments of sophisticated machine tools to Soviet Russia while the Truman Administration was demanding that billions be spent in foreign aid to "fight" Communism. Mundt revealed that he had asked the Commerce Department about these shipments to Russia and received the answer: "We have encouraged them."

without some nation assuming the role of creditor. . . ." Serving on this small Committee were Victor Reuther and Milton Eisenhower.

Got the picture?

As the outcome of World War II became obvious, the Communists and conspirators who had penetrated the federal government began to move into agencies handling post-war planning. The 1953 *Senate Internal Security Subcommittee Report on Subversion* revealed on Page twenty:

*When the principal concern of Government was economic recovery, they (Communist spys) were in the Agricultural Adjustment Administration, and new sections of the old departments. During the war, they joined wartime agencies such as the Board of Economic Warfare, the Federal Economic Administration, the Office of Strategic Services, and the like. Toward the end of the war and in the post-war period, they were operating in the foreign policy field. At the end of the war, they were gravitating toward the international agencies.*

The Russians were too depleted at the close of the War to finance the subversion of Central Europe, and the immediate use of force in every country would have embarrassed their allies in Washington, provoked potentially fatal anti-Communist reaction among the American masses, and brought a halt to the massive American aid and trade with which we flooded the Soviet Union right up into 1948.† The Soviet needed money to Communize this area and America gave her billions through U.N.R.R.A. (United Nations Relief and Rehabilitation Administration) with which to do the job.

It was American funds from U.N.R.R.A. which enabled Communist Josip Broz Tito to destroy anti-Communist



Draja Mikhailovitch in Yugoslavia. It was American money "lent" to the Communist Government of Poland which bought guns and supplies for the Communist secret police and which was instrumental in forcing a starving Polish people to submit to Communism.\* A Communist Government in Czechoslovakia was also installed with our U.N.R.R.A. funds, supported by the Red Army. American tax money even supplied the new Chevrolet and Studebaker trucks that the Soviets used for transporting a million captured Lithuanian and other anti-Communists to Siberian slave camps.

American money, materiel, and food were turned over to Communists and denied to anti-Communists. In the first three months of 1946 alone we sent to the Soviet Union some \$133 million in goods, and to Soviet-controlled areas of Eastern Europe another half-billion dollars worth. This is not surprising since Soviet agents virtually ran U.N.R.R.A. In his *Web of Subversion*, James Burnham notes that among those Americans acting as Soviet agents in this effort were: David Weintraub, Deputy Director of U.N.R.R.A., and his colleagues Henry Julian Wadleigh, Harold Glaser, Sol Leshinsky, George Perazich, Joel Gordon, Eda Glaser, and Ruth Rifkin.

After the "success" of U.N.R.R.A. the Communists and their allies moved into the "Marshall Plan," selling the program to the American public in the name of anti-Communism. In 1948, the Soviets were over-extended, and needed to consolidate. They could well afford to wait and let America spend itself into destruction. Meanwhile, American money would be used to finance the Far Left throughout Western Europe.

Congressman Edward Cox, on March 29, 1948, listed numerous persons in policymaking positions of the \$17 billion Marshall Plan whose Far Left and Communist Front backgrounds indi-

cated what was happening. Cox maintained, quite correctly, that: "To permit pro-Communists, Socialists, or collectivists of any hue to administer this American program, at any level, would be a grave mistake." Though the names of many of the important advisors planning the spending were being kept secret, Congressman Cox revealed that one of the most important of these secret "financial experts" was the ubiquitous Communist Lewis L. Lorwin. No wonder, there were attempts at secrecy.†

Of course, this wholesale bleeding of our economy was sold to the American public not only as a program to fight Communism, but as "good for American business" since, it was noted, much of the foreign aid money would be spent in America. We still hear this lunacy. It is like a grocer giving away his money to strangers provided they spend "most of it" in his store. At the end of the day the grocer congratulates himself on the enormous amount of business he has done. In reality, he started the day with both his cash and his groceries — and ended with some of the cash and a radically depleted stock. While such a grocer would soon be bankrupt, he would undoubtedly find his services in demand by the government to help administer our foreign aid program.

What has foreign aid amounted to? According to Congressman Otto E. Passman, Chairman of the House Foreign Operations Subcommittee on Appropriations, from 1946 to 1967 it cost us 152 billion, 533 million dollars—potential claims against our gold. So now you understand how our gold stock has been so vastly reduced. Our Leftist leaders gave it away. What is more, the Congressman notes, with only \$11 billion in gold reserves left at our disposal,

\*See former American Ambassador to Poland Arthur Bliss Lane's *I Saw Poland Betrayed; Western Islands*, Boston and Los Angeles.

†*Congressional Record*, March 29, 1948, Pp. 3624-3625.



with even the gold cover removed from our pocket money to meet the crisis, the giveaways are being continued at a terrible pace:

*Unliquidated [foreign aid] funds on hand on June 30, 1967 from prior years' authorizations: 16 Billion, 396 Million, 781 Thousand Dollars. If Congress approves all new funds requested by the President this year, there will be on hand to be spent or obligated during the current fiscal year, the staggering total of 25 billion, 602 million, 935 thousand dollars. Our country is committed to disburse [these] funds during the current fiscal year in 100 nations and 5 territories of the world.*

The last fling of a spendthrift nation, being bankrupted by its Insiders!

This continuing foreign aid, which built the industrial and economic power of foreign nations at the expense of America, placed such burdens — both from inflation and taxation—on Americans that the cost of doing business in the United States skyrocketed, pricing many American products out of foreign markets. Foreigners, using new production facilities which our government had given them, began to compete with Americans in all the markets of the world, including our own—and because of labor advantages and their new capital equipment soon began to capture those markets. Some American industries, unable to compete with foreign products because of high taxes and rising costs due to inflation, were soon closing their American factories and moving abroad. The federal government even encouraged this trend by yielding special tax privileges to American firms setting up overseas.

Another way that our vast foreign aid has helped the Communists is that

American dollars sent abroad have often been used to buy stock (partial ownership) in American companies. In 1956, Senator Olin Johnston revealed:

*In recent years a number of United States companies have been taken over in whole or in part under circumstances that are not readily understood. Two Federal Reserve Bank officials testified before the Senate Internal Security Subcommittee that there was a startling possibility that Russian and other foreign Communists had established control over important segments of American industry through concealed investments in which foreign banks are used to hide the real ownership. Americans are thus having their industry bought out from under them with their own tax money.\**

Our dollars sent overseas in foreign aid have not only returned to buy ownership of American industry, but also as claims against our gold. Foreigners have already taken \$12 billion in gold by simply turning in the American dollars with which we have been so generous. Thirty-three billion more are waiting to come marching home again; but since we have only \$11 billion in gold left, two-thirds of this will have to be settled with something besides gold. Possibly these foreign claims can be used to buy more of our securities at bargain prices should the complete loss of our gold reserves trigger an economic holocaust. If foreigners can time their purchases in the American stock market to take advantage of the deflation caused by the coming crisis, before the planned avalanche of printing press money wrecks everything, they will have achieved a real coup.

## VI

YOU SEE, the pieces of the puzzle are falling in place. It should be obvious to

\*Dan Smoot Report, September 12, 1960, Page 293.

anyone who will look that our current economic crisis has been planned for many years. It could not take place without the centralization of banking; the nationalization of gold; the inflation of our currency to the point that our public debt now exceeds, by some \$39 billion, that of the entire world combined; and, a deliberate giveaway of more than \$150 billion of our assets.

America's impending financial debacle is a tribute to the planning and hard work of Insiders and their Communist and socialist minions who established these policies. It is equally a comment on the nature of the Roosevelts, Trumans, Eisenhowers, Kennedys, and Johnsons who have carried out those policies — not so much as deviating from the carefully laid plan.

Credit should also be given to the academic community and to the news

media too. Let's not forget them. They have regularly ballyhooed the Insiders' plans as being in the nation's interest, and have refused to clutter the public mind by so much as mentioning the Marxist origin of any of these schemes for America's financial dismemberment.

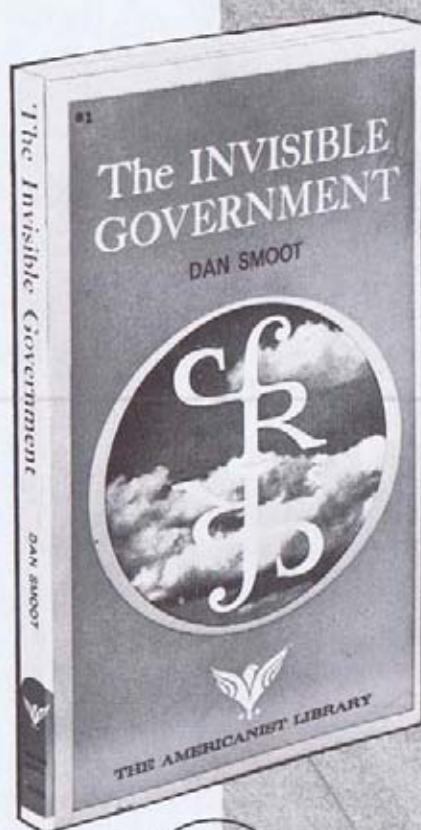
It may even be that someday soon our bureaucrats, politicians, professors, and newsmen will have their chance to gather for the unveiling of a great statue of Harry Dexter White, the man who closed our gold mines and gave our mining equipment to Russia; who then, at Bretton Woods, arranged for the world to come and get our gold at \$35 an ounce. The Press will undoubtedly report that it was an elegant event.

Good night, Chet.

Good night, David.

Good night, America! ■ ■





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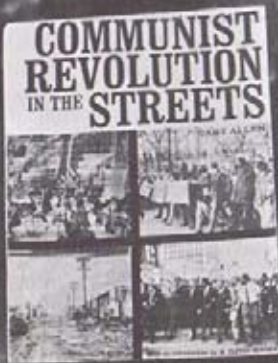
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