

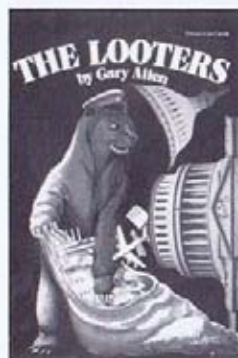
Thirty-five Cents

THE LOOTERS

by Gary Allen

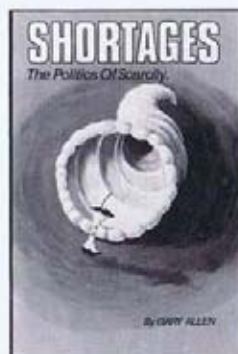


About this article...



The Looters: How Our Economy Is Being Destroyed by Gary Allen originally appeared in the May 1974 issue of *American Opinion* magazine, America's foremost Conservative journal of political affairs. Additional copies of this copyrighted article are available at the following prices: Less than 100, four for one dollar; 100 to 499, twenty cents each; 500 to 999, eighteen cents each; 1,000 or more, fifteen cents each.

Why has America, the land of abundance, suddenly become a country of scarcity? Have the shortages in energy, fuel, gasoline, and food been deliberately created? If so, by whom? *Shortages: The Politics Of Scarcity* by Gary Allen draws on expert opinion for answers — and solutions. Less than 100 copies, five for one dollar; 100 to 999, sixteen cents each; 1,000 or more, fourteen cents each.



The paragraphs above describe two articles reprinted from recent issues of *American Opinion* magazine. Our correspondents, including Gary Allen, Dr. Medford Evans, Alan Stang, and Dr. Susan Huck, regularly report on such important affairs. Their courage and accuracy have made *American Opinion* the most widely reprinted political journal in the world.

But don't wait to be given a reprint from our pages. Why not subscribe now, and receive every article every month! A one-year subscription is still just ten dollars.

Subscriptions and reprints may be ordered from your nearest
AMERICAN OPINION BOOKSTORE
or directly from

AMERICAN OPINION

Belmont, Massachusetts 02178

San Marino, California 91108

THE LOOTERS

How Our Economy Is Being Destroyed

Gary Allen, a graduate of Stanford University, is the author of several best-selling books, including *Communist Revolution In The Streets*; *Nixon's Palace Guard*; *None Dare Call It Conspiracy*; and, *Richard Nixon: The Man Behind The Mask*, the definitive study of the ambition and conspiratorial activities of our current President. Mr. Allen, a former instructor of history and English, is active in numerous humanitarian, anti-Communist, and business enterprises. A film writer, author, and journalist, he is a Contributing Editor to AMERICAN OPINION.

■ EXAMINING the sordid tapestry of our government's foreign and domestic policies since the termination of the Second World War, it is impossible to deny the pattern of systematic looting of the American economy. While one may debate the motivation of those who have woven the tapestry, no one can deny that the result is a masterpiece of intricate design. If this is all accident and happenstance, then so were the pyramids. If the past thirty years of "America Last" policies are the product of collective mistakes by our "Liberals" and misguided humanitarians, if all this be accident, it is time to conclude that at last the infinite number of monkeys pounding diligently on an infinite number of typewriters has produced a Shakespearean tragedy.

What Foreign Aid Costs

One of the most obvious methods by which the *Insiders* of the Establishment have been looting our country for nearly three decades is the perpetual con game which operates under the euphemism of

foreign aid. You may have heard the gallows jest that Foreign Aid is the refreshment that never pauses. And it is true. Americans have been pouring out foreign aid for so long that practically nobody realizes what the collective cost has been. Every year the Congress and the President stage a mock battle over whether the taxpayer will contribute foreign aid of \$3.2 billion or \$2.9 billion. That debate is fought with all of the sincerity of a professional wrestling match. It is strictly Gorgeous George versus the Masked Marvel. Meanwhile, according to Chairman Otto Passman of the House Appropriations Subcommittee which handles foreign aid, the cash pours out of some twenty-eight falsely labelled spigots, and the combined total is somewhere in the mindboggling neighborhood of eighteen billion dollars per year. The advertised three billion dollars is mere diversion.

Representative H.R. Gross, the retiring fiscal watchdog of the Congress, reports that the total cost of our foreign aid program as of last July was \$225 billion. By the time you read this, the cost will have passed \$250 billion. The giveaway total accounts for over half of our staggering National Debt — a Debt nearing the half trillion dollar mark and totalling sixty billion dollars more than the combined public debt of all the other countries of the world.

So carefully disguised has this looting of America been that the sensational total of the foreign giveaway racket never became known until March 6, 1973, when the Statistics and Reports Division of the Office of Financial Management of the Agency for International Develop-

ment was forced to reveal it in a remarkable report. It was compiled and made public at last because Conservative Congressmen had added Section 657 to the 1971 Foreign Aid Act, requiring that all foreign aid spending by all federal agencies be recorded in a single document. Prior to last year, the propagandists and bureaucrats promoting foreign giveaways had concealed the full extent of their racket by hiding it under a variety of captions in many different departments and agencies. They were so reluctant to comply with the new Section that it took them from the end of Fiscal 1972 (June 30, 1972) until March 6, 1973, to produce the report.

Foreign aid operations include pumping the lifeblood of our economy into ninety-nine nations, some ninety-five of whom were neutral or on the other side of the Vietnam War. So much for the "Liberal" rationalization that we are buying "friends and loyalty. According to Congressman Passman: "Of the 3.5 billion people of the world, all but 36 million have received aid from the U.S." Apparently the remaining thirty-six million are so deeply lost in remote jungles or inaccessible mountains that our politicians and bureaucrats could not find them to shower them with your taxes. Foreign aid operations for which you pay include more than four thousand separate projects and employ fifty-one thousand Americans and foreigners.

A more or less typical example of how the government shovels out our dollars for foreign aid is the nearly ten billion dollars we have bestowed upon India, whose Marxist Premier has vehemently accused the United States of being responsible for her aggressive war against Pakistan, and even intimated that the C.I.A. was somehow behind cyclones striking the coast from the Bay of Bengal. India is today as much a Soviet satellite as Cuba, Syria, and Iraq. While sanctimoniously proclaiming her "neutralism," she has been armed to the teeth by Russia.

Hundreds of millions in late-model Soviet planes, tanks, guns, and other combat hardware were shipped to India in recent years. Thousands of Indian pilots and other military personnel were trained in Russia. India has even gone so far as to provide the Soviets with military and submarine bases.

Yet America continues to pour good money down the Indian rathole. We mean rathole quite literally. Each year, America sends millions of bushels of subsidized wheat to India — a quantity equal to about the same tonnage of grain as that eaten by the Indian rats. You see, the rat gobbling up American wheat might be the reincarnation of dearly departed Uncle Sabu, who is working his way back up the ladder of reincarnation to become a human being again in (say) 2250 A.D. So rats each year consume millions of bushels of extremely scarce food in India, and the American taxpayer is expected to fill the gap. Should you be such a cretin as to opine that since that is their philosophy they should change it or learn to live with it, you will find yourself denounced as a chauvinist Christian. After all, who are we to try to evangelize the world? Ours is not to reason why, ours is but to pay and pay and pay.

Meanwhile, the Big Ripoff continues. On January 31, 1974, word reached Washington that U.S. Ambassador Daniel P. Moynihan had wiped out \$2.2 billion of \$3.3 billion in debts owed to the United States by India. Uncle Sam loses again. Because, you see, the game is fixed. As Congressman Passman grimly notes: "The U.S. cannot survive as a strong nation if we continue to dissipate our resources and give away our wealth to countries all over the world."

The Fiscal Artery

Foreign aid has been used to slash our fiscal artery. Not only has the wound gushed out \$250 billion of the taxpayers' blood, it has by doubling our National Debt fostered the inflation which is each

year robbing the American people of tens of billions of dollars in purchasing power. The National Debt is funded by government bonds which are used by the Federal Reserve and the banking system as the basis for creating new money, inflating our money supply just as more air blows a balloon bigger and bigger . . . until it bursts. The more foreign aid, the more National Debt; the more National Debt, the more money there is; the more money printed, the less each dollar is worth and the more the cost of living skyrockets. As they say in the song: You can't have one without the other.

Recently, Dr. Nasrollah S. Fatemi, director of the Graduate Institute of International Studies at Fairleigh Dickinson University, wrote an article with the wonderful title, "Foreign 'Band' Aid," in which he observed:

Congress is again going through the annual ritual of debating foreign aid. Many people all over the United States are asking: "Can this country afford to spend \$4 billion [really, as we have seen, \$18 billion] every year on international welfare which has brought us nothing but woe, wars, and economic trouble?"

If the purpose of aid was to contain communism, since its inception, the number of people under communist regimes has grown sevenfold.

If our goal was stability, the last twenty-five years have witnessed thirty-five wars, civil wars, and revolutions with forty million refugees and ten million casualties of which one million were Americans.

If our aim was to help the poor, our aid has made the rich, richer and the poor, poorer. Most aid money is deposited in the Swiss bank accounts of the international Al Capones who in gratitude for

our generosity send us heroin and opium.

During the last 25 years while our gold reserve dropped from \$25 to \$10 billion and the deficit in our balance of payments soared to \$60 billion, the Germans and the Japanese have accumulated \$40 billion in gold and dollars . . .

What occurred was that over a period of years the United States ran up huge balance of payments deficits, largely because of foreign aid. Foreign nations found themselves with seventy to ninety billion dollars in their central banks, fifteen billion dollars of which were gradually exchanged for gold. As you know, Americans are not allowed to exchange their dollars for gold, so our supply of the precious metal was looted by foreigners who held our aid dollars. Finally the United States slammed shut the window, lest foreign central banks walk off with every last glittering ounce of our gold.*

Now all of that gold that we let go overseas at \$35 an ounce is worth \$175 on the open market. In other words, the fifteen billion dollars in gold that went thataway is now worth seventy-five billion dollars — five times as much. Had we not been looted of sixty percent of our gold, the United States would have \$125 billion in gold reserves (at free market prices) with which to back the U.S. currency. The dollar would be truly almighty in the marketplaces of the world. Instead, monetary conspirators have wholesaled our gold at bargain-

*Now that they can no longer turn in their dollars for gold, foreigners (especially the Japanese and Arabs) are buying property and securities in America. This will doubtless engender a certain amount of resentment in this country. But we should not blame the Arabs or Japanese. What are they supposed to do with the glut of dollars, eat them? The fault rests with our politicians who sent abroad billions in foreign aid to create our balance of payments problem.

basement prices to strengthen foreign currencies and build foreign economies at the expense of our own currency, foreign trade, and economy.

The total indirect damage done to the United States by the looting that is foreign aid is probably incalculable. But if you consider the consequences of the inflation it has created the cost has run into the hundreds of billions of dollars. Since foreign aid is responsible for half of our increasingly astronomical National Debt, for instance, we are paying fifteen billion dollars per year just in interest on the money that our politicians gave away.

From here the plot sickens. Instead of digging ourselves out from under past "mistakes," the Nixon Administration has been stoking the socialist steam shovels to tunnel us ever deeper into the pits of collectivism. The looting of America is not being supervised by Vandals, Huns, or even the once feared Visigoths, but by "American" politicians, international bankers, and arrogant bureaucrats in Brooks Brothers suits.

The Banking Game

An increasingly important tool for The Looting of America is the Export-Import Bank, known as Eximbank. It was established in 1934 to finance and promote trade with the Soviet Union. But it wasn't until Richard Nixon signed a "Presidential Determination" on October 18, 1972, that the Eximbank began to finance trade with the Soviets. During its first twenty-five years, it had carefully authorized some ten billion dollars in credits for sixteen hundred projects in sixty-nine countries — mostly in Latin America. Then, with the launching of the Marshall Plan following World War II, the Eximbank extended its activities into Europe, Asia, and the Middle East. During 1973, it pumped out \$2.4 billion in loan guarantees.

The process by which the Eximbank works is simple enough. A U.S. exporter goes to his own bank which makes

arrangements for the Eximbank to loan money to the exporter's foreign buyer. Eximbank then grants a credit to the American bank which pays the U.S. exporter. Thus the exporter is immediately paid in inflationary deficit dollars, the American bank is cut in on the deal, and the foreign importer gets a subsidized interest rate.

Who pays the interest subsidy? You hardly need ask. The U.S. taxpayer pays it through Treasury grants to the Eximbank. Thus the Eximbank has been making loans to foreigners at six percent when the prime rate (the rate at which the largest American corporations with the best credit rating can borrow) is ten percent. The difference is a four percent subsidy to any foreigner who buys our goods. General Thomas Lane comments:

Why is the prime rate at 10 percent? When Congress is depreciating the dollar at 5 percent per year, you have to charge 10 percent to make five. If a buyer borrows dollars at 6 percent for five years, and in that period the dollar has depreciated 25 percent, the buyer has only paid 1 percent per year for his loan.

What happens if the foreign buyer defaults? Auf Wiedersehen. Adios. Sayonara. If the customer sneaks out of the restaurant without paying the check, the waiter puts the arm on the American taxpayer who, once again, picks up the tab. How would you like to be in a business in which the government paid you in full for all sales and accepted the responsibility for collecting all accounts receivable? As General Lane notes:

In this system, the U.S. exporter has nothing to lose by sales to bad credit risks. The U.S. commercial bank has nothing to lose. The inclination therefore under our profit system is to sell products to anyone

who will sign a loan agreement which you can run by the Eximbank. Irresponsibility is rewarded . . .

It is an old story. Public money is nobody's money. As a sense of civic responsibility declines, the public money is used to private advantage. But more than that, the reckless profligacy of the Congress in providing funds for such purposes undermines the sense of civic virtues in our government.

As with other free enterprisers, we favor foreign trade. But when the great American exporters ask the taxpayers to take the risks while they take a guaranteed profit, it is no longer trade but looting. It is no different than if you were an automobile dealer selling cars to deadbeats in Chad and asking the taxpayers to pick up the payments. Assuredly, you could "sell" lots of Cadillacs that way. You could in fact loot our country of every Cadillac that could be made. And you wouldn't care a fig whether the customer ever pays for the car. Once again we quote Thomas Lane:

In this operation, the inside operators of international trade have arranged a bonanza for themselves at the expense of the defenseless taxpayer. Whatever the Depression purposes may have been in the '30s, the bank has long outlived its usefulness. Let our private bankers set up their own Export-Import Bank and charge an adequate interest rate to cover the risks involved. Let them depend on their own judgment of who is entitled to credit.

Congress should close the bank forthwith, putting industry on notice that there will be no loans or guarantees after fiscal year 1974.

That's what ought to be done, but just the opposite is happening. The Eximbank

is being bloated with a tremendous expansion of loans — primarily to the Communists, the world's worst deadbeats.

Shortly after the May 1972 Moscow Summit the Nixon Administration began pushing to extend the credit of the U.S. taxpayers directly to the Soviets. As part of the Nixon-Kissinger *détente*, Congress was to extend to the Bolsheviks tariff status as a "Most Favored Nation" and Eximbank loans were to be arranged for the transfer of the most advanced American technology to Russia and for the development of Soviet energy resources. So far, the M.F.N. status has not been granted by Congress because of publicity about Russia's policy of refusing emigration by Soviet Jews to Israel. But the sluice gates for loans have been opened. Already a legal counselor for Eximbank has charged the bank's directors with approving bad loans under pressure from President Nixon and Secretary of State Henry Kissinger.

As part of the massive effort to build the Communist economy by looting the United States on credit, Richard Nixon has appointed William Casey to be president of the Export-Import Bank. Casey is a member of the Rockefeller-controlled Council on Foreign Relations which has as its goal the creation of a World Government. A longtime Leftist, he was first named an Undersecretary of State to hustle Red trade. At the time, Mr. Casey was described by national security expert Frank Capell as follows:

Under State Department security of the Otepka era, it is very doubtful that William Casey would have been granted clearance. His past known associations with Communists in Europe, his questionable financial dealings, and his pro-Soviet outlook would have raised many questions about the propriety of his holding a position as Undersecretary of State.

But of course Casey is the perfect man for the job that Nixon, Kissinger, and the international bankers have in mind. As part of his goal of promoting "trade" with the Communists, William Casey told the Society of American Business Writers last year:

To implement this vital aspect of our overall foreign policy, our Ambassadors to Communist nations have been instructed to put trade promotion at the top of their list of priorities. Shortly we will have doubled the number of State Department employees serving in commercial positions in the U.S.S.R., eastern Europe and [Communist] China.

Naturally the Communists are delighted to have the American super-capitalists build factories for them as long as the American taxpayers agree to pick up the tab when the Commissars default. It is foreign aid in a big way!

The first of the giant projects we are inflating our currency to build on credit for our Bolshevik brothers is the Kama River factory, which is to be the largest producer of trucks in the world. But please try not to mention that trucks are the backbone of modern military operations and that truck factories build tanks during wartime. If you do so, "Liberals" will look at you as if you have four heads and nine eyes.

The Kama River factory will produce 150,000 heavy trucks and 150,000 heavy engines per year, more than the combined output of such trucks by all American factories. The complex is being built by a division of the Pullman Company at a cost of two billion dollars. The Soviets are going to put up ten percent of the cash for the project while David Rockefeller's Chase Manhattan Bank and the Export-Import Bank will each put up forty-five percent. According to *U.S. News & World Report* of March 25,

1974: "Chase experts see Kama River as a 'billion-dollar beginning' for U.S. suppliers." All of the contracts have not yet been let, but other U.S. corporations involved include General Motors, Rockwell International, I.B.M., Honeywell, Westinghouse Electric, U.S. Industries, and Ingersoll-Rand.

To say that Eximbank is bending over backwards to accommodate the Soviets with the taxpayers' dollars is the equivalent of saying that J. Paul Getty is moderately certain that his personal cheque won't bounce. The length of Exim's usual loans range from three to five or seven years. The repayment period for *this* loan is twelve years with a grace period of 4.5 years. Which means that it will be 16.5 years, if ever, before anyone sees the first payment! Try to get that kind of deal as an American businessman . . . at six percent interest.

And what happens when the Comrades don't pay? Do we foreclose and repossess the factory? That's about as practical as growing bananas in Minnesota. Krupp, the German industrial giant, has already experienced a near collapse as a result of its dealings with the Soviets, and had to be bailed out by its government.

But, you say, surely David Rockefeller, the shrewdest and most powerful banker in the world, would not risk Chase Manhattan's money unless he were sure of repayment. You're right. David *is* sure of repayment. Chase's loan is guaranteed by the U.S. taxpayer through other government agencies called the Overseas Private Investment Corporation and the Foreign Credit Insurance Association. The U.S. taxpayer is on the hook for every dime. Just as with the Eximbank loans, O.P.I.C. and F.C.I.A. guarantee the "businessmen" a profit no matter how bad the deal turns out. What is happening is that we are *giving* the Soviets a two billion dollar truck plant, and insuring the Rockefellers a cut on the interest of a loan that the American taxpayers will pay when the Comrades

decide after 16.5 years to thumb their noses at us.

And the Kama River project kicked off a spree of such looting. One of these loans is for thirty-six million dollars to help construct and equip an international trade center in Moscow. Joint venturing in this deal — all fully guaranteed by you — are Chase Manhattan and the Bank of America. Arranged by Armand Hammer of Occidental Petroleum, a personal friend of Lenin and son of a founder of the U.S. Communist Party, the huge Trade Center will be built by the Bechtel Corporation. Comrade Hammer and his Occidental Petroleum also have a huge natural gas deal in the mill with the Soviets. According to former Eximbank boss Henry Kearns:

For a proposed gas development deal in Siberia that the Soviets are eager to make, the required Eximbank credit is \$1.5 billion — more than the bank has granted any other customer. The Soviet Union has already received Exim credits of about \$350 million without disclosing financial data . . .

The Nixon Administration is also planning to inflate our currency to lend the Soviet Union \$180 million at six percent interest to provide and construct on a Soviet site a new fertilizer plant made in the U.S.A. This, incidentally, comes at a time when America is in the midst of a severe fertilizer shortage. Crops are being limited in our own country this year because of that shortage, but our government is concerning itself with the expansion of Soviet food supplies and looting us of the hardware to build this desperately needed fertilizer plant. According to Congressman Charles Vanik:

Incidentally, the cost of the Russian fertilizer plant will be \$400 million. Of this, the Soviet Union is putting up only \$40 million — a

mere 10 percent of the cost. All the rest will come from the U.S.

In addition to the Export-Import Bank's loan, for which the bank has already made a preliminary commitment, private American banks will lend another \$180 million for the Russian plant — but at a realistic 10 to 12 percent interest.

The American taxpayer is therefore subsidizing the Export-Import Bank's part of the loan — a subsidy that could cost between \$50 million and \$75 million in lost interest over the 12-year period of the loan.

"Moreover," continues Congressman Vanik, "the loan agreement provides that the private American banks will get all their money back before any payments are made on the Export-Import Bank's portion of the loan. So, under this arrangement, the private banks get almost double the interest rate of the Export-Import Bank and dispose of their risk 6 years in advance of the Export-Import Bank. These policies of the bank are financial madness. The American taxpayer should not be made to support an interest dole of such dimensions."

Then there is the C.E. Lummus Company of Bloomfield, New Jersey, which has agreed to build a \$105 million petrochemical plant in the Ukraine. Under the terms of the contract, the Soviets will spend sixty million dollars erecting buildings and infrastructure, while the Lummus Company will provide forty-five million dollars in technology, equipment, and engineering design for the plant. Also involved in the deal is the Monsanto Company, which will make available its new method of producing acetic acid. The Eximbank is inflating our currency for twenty million dollars of financing while private banks are putting up another twenty million guaranteed by the taxpayers through O.P.I.C. Once more we are looted for a major productive facility

and forced to pay for it in inflation.

Allis-Chalmers on September 18, 1973, announced that it had received a thirty-five million dollar contract to build an iron ore pelletizing plant in the Soviet Union. According to United Press International: "The plant will use a special pelletizing process developed by Allis-Chalmers and will have a production capability of 18,180 tons of pellets per day." It will be one of the four largest of its type in the world and "the equipment to be used in the new Soviet plant will include some of the most advanced in the technology of converting iron ore into pellets, which are used for steel making." How much of this project is being bankrolled by Eximbank was not announced, but nobody in America is risking building something for the Soviets without Eximbank and/or O.P.I.C. guarantees.

According to Nelson Rockefeller, the Aluminum Company of America is going to build an aluminum plant for the Reds which "would consume half the world's supply of bauxite." No other details, to our knowledge, have been made public on this deal. But dozens, possibly hundreds, of other looting deals are in the wind — and your taxes are being pledged to guarantee it all. As Professor Antony Sutton of the Hoover Institution at Stanford University has observed: "These negotiations are always conducted in the utmost secrecy and you usually don't learn about them until they are a *fait accompli*. I have requested a list of applications on file for loans to the Soviets from the Eximbank and have been refused." Little wonder, given the size of the looting being done.

Business Embraces Looters

It wasn't long ago that General Motors was recognized as a synonym for the responsible Conservatism of American business. No more. According to the *New York Times* of September 22, 1973: "The Soviet Union has started preliminary talks with General Motors in hopes

of convincing the United States automaker to build a billion-dollar truck factory in Siberia . . . Its cost has been put at about \$2 billion. Sources said the Soviets were interested in a so-called 'turn key' plant in Siberia, one in which the foreign general contractor 'turns over the key' to the Russians after completion." The only available work force for such a plant in Siberia would be slave labor. Yet Russia is crawling with American businessmen, now including the executives of General Motors, who are falling all over themselves in their eagerness to scalp a fast buck by building slave factories for the Soviets or "selling" them some sophisticated equipment to enhance the Soviet military-industrial complex. The *Washington Post's* Murray Seeger writes:

The same week that American and Russian armed forces were on alert for possible action in the Middle East nearly 2,000 American businessmen were showing their wares in Moscow at one of the biggest U.S. trade shows ever held in Eastern Europe.

Significantly, the show displayed American technology for developing oil and gas supplies at a time when Arab petroleum shipments were being reduced.

So many Americans showed up for the exhibit that Moscow's hotels for foreigners were jammed. A government-sponsored Congress of Peace Forces took over the city's biggest hotel so Americans were forced to sleep three and four in a room.

On one day 150 Americans arrived at the airport to find that the Soviet travel agency, Intourist, had only one available room. Soviet visitors to the capital with lower priorities were installed in four river boats on the Moscow River and other lesser hostels during that week.

Many of these men clamoring around the Kremlin are believed by the unsophisticated to be Conservatives. What is the public to think when E. Douglas Kenna, president of the National Association of Manufacturers, is reported to have told Soviet trade officials that "the NAM would work with our U.S. trade associations to gain congressional approval of most-favored-nation tariff treatment for the Soviet Union." Congressman John Ashbrook comments acidly:

Businessmen who seek to flee American labor and to support a slave labor totalitarian dictatorship for momentary profit while praising the glories of a free market can do two things: Have the decency to stop biting the conservative hands that allow them to feed here and in Russia, and stop associating themselves in the public's mind with conservatism.

"The Soviet Union is the last great undeveloped market for the U.S.," says Alfred R. Wentworth, senior vice president of Chase Manhattan Bank and head of Chase's recently opened Moscow office. "It now is opening up, and our bank wants to participate in the many opportunities being created." Mr. Wentworth terms this "the year of the American in the Soviet Union." United States "trade" with the Soviets reached a record \$642.1 million in 1972 and then passed one billion dollars in 1973. All predictions are that the looting will continue to skyrocket in 1974.

Soviet officials are optimistic, too. "The trade potential between the Soviet Union and America is substantial," says Nikolai N. Smelyakov, deputy minister for foreign trade. He adds: "And we are experiencing no difficulties at all in obtaining credits for our trade." Yuri I. Bobrakov, chief researcher at the Soviet Institute for the Study of the United States, says: "Judging from the scale and

rate of increase of the trade, the U.S. may become the leading non-Socialist trade partner for the Soviet Union within another year or two."

One would think that the energy shortage in America might have slowed the flow of money, materials, and technology to the Soviet Union. Congressman John Ashbrook has investigated and reports:

With the United States facing a serious energy shortage, you would expect that American equipment and supplies would be going to develop new oil and gas resources inside the United States. This assumption is logical, but it is wrong.

According to Leo Welt, who conceived and ran a recent trade show in Moscow, U.S. petroleum equipment and services suppliers already are on their way toward selling a billion dollars' worth of such items for use in U.S.S.R. oil and gas activities. These items include many thousands of tons of pipeline coating sold by Kendall Polychem, \$42 million worth of crawler tractors by International Harvester for pipeline construction, and \$3.5 million for exploration items by Halliburton-Welex and Dresser Industries.

Perhaps after we have finished developing the Soviet economy we can then turn to our own needs.

While our government was financing the shipment of scarce oil drilling equipment to the Soviet Union, it kept on the price controls in the United States. Tens of thousands of desperately needed oil wells were not drilled in this country because of what *Business Week* of December 8, 1973, called "a severe shortage of drilling pipe and well casing." Because of Mr. Nixon's price controls, much of that pipe was being exported at fat world prices. During the oil boycott, more pipe

needed to drill wells in the United States was bought up by the Arabs. Energy crisis, anyone?

So blatant is this looting that the "Liberal" commentator John P. Roche has compared Moscow's manipulation of American businessmen to "rolling a drunk." Mr. Roche continues:

Does anybody really appreciate the cosmic irony involved in the present deals between the Soviet government and various American manufacturers? At the American end the enterprise is justified by everybody from Secretary of State Henry Kissinger down as a technique of cementing political relations.

The theory is that once the Russians get thoroughly dependent on us for spare parts, their ideological compulsions will wither away. In short, the American protagonists have adopted the quintessentially Marxist logic that economic relationships determine the behavior of political superstructures.

As the United States Chamber of Commerce prepares to hang a portrait of Karl Marx over the mantle in the directors' room, the Soviet spokesmen are busy asserting the primacy of political power. In this they can draw sustenance from Lenin's 1921 New Economic Policy and from his improvisation of a category known as "progressive capitalists."

Lenin, who never let little theoretical problems interfere, kept assuring his distressed colleagues, notably the compulsively abstract Trotsky, that if it ever came to the crunch, the Bolsheviks could seize the foreign assets. That is, Lenin asserted the supremacy of the political over the economic relationship.

And when the crunch came, the assets were seized — just as they will be again.

When that happens, the American taxpayers will pick up the tab, and the result will be that we will have massively inflated our currency and looted America to give the Soviets, as foreign aid, the greatest military-industrial complex on earth.

The Politics Of Suicide

At one time it was illegal for reasons of national defense to ship strategic materials or advanced technology to the Soviet Union. Then during the L.B.J. era of "bridge building" the restrictions were shredded. What was left on the list has been decimated by the Nixinger regime so that we are now openly sending the Soviets everything but atom bombs — and we are working out details to provide them with nuclear reactors. There is virtually nothing we have for which the Soviets cannot loot us on the sneak-away plan.

We are even going so far as to replace the backbone of the Soviet computer system, the abacus, with our most sophisticated computers. In an article entitled "The Great Bleep Forward," *Time* of July 16, 1973, quotes Wade Holland, editor of Rand Corporation's *Soviet Cybernetics Review*, as stating: "The Soviet computer industry has always been a shambles." Now, *Time* continues:

Control Data Corp. has delivered the largest Western machine in the Soviet Union, a Model 6200 now at the Dubna Research Institute; the company is negotiating the setting up of a time-sharing network in Russia. Honeywell's French-based subsidiary, Honeywell Bull, has just installed an automated record-keeping system at the Gosbank in Leningrad. Last May IBM sold a computerized reservation system to Intourist, and the Soviets' new Riad series is designed to be compatible with IBM peripheral equipment and software . . .

U.S. businessmen who deal regu-

larly with the U.S.S.R. say that IBM is engaged in a new round of secret talks with the Soviets, but IBM executives will not confirm it. Honeywell men are negotiating with the Soviets and expect to open a Moscow office soon. In the past, the U.S. Government has blocked sales of many high-technology items like computers to the Soviet Union if it appeared that national defense might be compromised. In the rosy afterglow of the Nixon-Brezhnev summit, U.S. computer men are hoping President Nixon will relax the embargo.

Needless to say, at the same time he is proposing the largest military budget in peacetime history, Richard Nixon has relaxed the embargo. *Human Events* of March 9, 1974, reports:

... Kissinger is now considering sending the Russians highgrade computers, the 6600 series. While these computers could be used for commercial purposes, technical experts stress they will also have considerable military value and can be used in improving Soviet missiles, MIRV technology and exotic guidance systems.

Benjamin Schemmer of *Armed Forces Journal* indicates just how far we are going to build up the Soviet capacity to destroy us. As he writes in that periodical for February 1974:

The Soviet Union wants U.S. help to build a "commercial" jet aircraft complex in Russia that would employ over 80,000 people — three times the commercial airplane labor force at Boeing or McDonnell Douglas. Export of American know-how to build the multiplant Russian complex is one of several conditions laid down by

Soviet negotiators as a prerequisite for buying up to 30 wide-bodied U.S. jet transports, a sale U.S. firms are generally anxious to make. Russia has been discussing the potential \$500 million deal with McDonnell Douglas, Boeing, and Lockheed since October, 1973....

Russian negotiators have pegged annual output of the proposed new Soviet plant at over 100 planes. This would equal almost half of all commercial transports built by the United States in 1972 and more than a third of all large U.S. jet transports delivered last year.

Jet transports, of course, are essential to modern warfare. We might as well negotiate to build them the world's largest tank factory. (On the other hand, that is what Kama River is all about, isn't it?) Schemmer continues:

Noting that a "modern transport aircraft is one of the most complex products in our economy," another company chairman says that, "If the U.S.S.R. were to acquire... in the form of broad technical assistance for licensed production of our latest commercial jet transports and the technology transfer inherent in providing (Russia) with a turn-key aviation complex... our primary remaining element of dominance in the field of aviation would vanish."

What is going on here, in short, is not only looting but treason. Constructing some of the world's largest factories for the Soviet Union, and shipping the Communists the most sophisticated U.S. technology and equipment, has a multitude of implications. Professor Antony Sutton, the world's foremost expert on the use of Western technology to develop the Soviet Union, has written an entire book on this

subject, giving it the provocative title: *National Suicide*.

The military potential of the industrial plants which we are building for the Soviets should be obvious to anyone. Trucks, aircraft, oil, steel, petrochemicals, aluminum, computers — these are the very sinews of a military-industrial complex. These factories, the product of American genius and financed by American capital, could have been built in the United States. Instead, they are constructed at the U.S. taxpayer's expense in the Soviet Union — a nation whose masters still keep millions in concentration camps and who have sworn to bury us. True, the "Liberal" Establishment tells us that the Soviet leaders are only kidding when they tell their own people that they are accepting American aid in order to become strong enough to destroy us. But it is unlikely that Communist Party boss Leonid Brezhnev was jesting in June of 1971 when he declared in Moscow: "There is no lull, there can be no lull, on the ideological front. That war continues and will continue until the complete victory of Communism."

Yet the program to loot America to build the Soviet Union is escalating. And remember that the factories we are constructing for the Communists represent the latest in American technology. This technology is unobtainable anywhere else in the world. As Professor Sutton observes: "An American corporation may spend decades and millions of dollars developing a particular process or perfecting some new machine and then transfer it *in toto* to the Soviet Union." This research and development has taken place with tax-deductible dollars, once again leaving the American taxpayer to foot the bill for the looting.

Another important thing to remember is the strong possibility that Russian factories using American capital and American technology will, with Soviet slave labor, produce goods which in world markets will undersell those produced by

American labor. Just as many thousands of Americans have already lost their jobs to foreign labor working in European and Asian factories constructed with American foreign aid, still more American workers will be put out of work by their own government. In fact, that is just what our runaway "capitalists" have in mind. A report by Senator Frank Church of the July 16, 1971, meeting between himself, David Rockefeller, and Soviet Prime Minister Alexei Kosygin includes the following:

Mr. Rockefeller commented that a U.S. firm would expect to make a profit on its investment. Would that be possible?

Kosygin saw no reason why it couldn't be arranged. The U.S. firm would get the product at an agreed price, in exchange for services rendered (building the plant, providing technical and managerial know-how), and then sell the product on the world market at whatever price it desired or could obtain. . . .

The profit advantage is all in slave labor, a product of which Senator Church and banker Rockefeller apparently approve. For the American workers paying for these deals with their taxes, it means job suicide.

Already American trade with (and construction in) the Soviet satellites at this juncture outstrips that with the Moscow slavemaster. And it is no small potatoes. While the United States is in the throes of an electricity shortage, Westinghouse Electric and General Electric are proceeding with plans to build a \$250 million nuclear power plant in Communist Yugoslavia. (Again, suicide.) General Tire is building a seventy-five million dollar radial tire factory in Communist Romania, with an option to purchase an equity position in the venture that would assure it the pricing benefits of slave labor. Control Data Corporation is build-

ing a \$2.2 million plant in Bucharest, Romania, to make computers — and will keep a forty-five percent interest in the deal. (Computers do not distinguish between military and civilian inputs.) Swindell-Dressler, the division of the Pullman Company which is the prime contractor on the Kama River project, is constructing a \$42.86 million foundry in Communist Poland. (Hard metal for the great Polish arms factories.) Westinghouse Electric Corporation has signed a ten million dollar contract to design and equip an advanced electronics manufacturing plant near Warsaw. (Electronics for modern arms.) The Corning Glass Company will equip a highly automated light-bulb factory in Communist Hungary capable of producing 1.5 million light bulbs a day. (Slave labor competition for American industry.) And on and on.

Meanwhile, so-called "clean" or low-sulphur coal is being shipped from the United States to Communist Romania and Yugoslavia while the American steel industry is in desperate need of such fuel. According to syndicated columnist Victor Riesel:

So acute is Bethlehem Steel's need for this low sulphur coal, it is cutting back "hot metal" production by a million tons in the next six months. . . .

It's not that Bethlehem, U.S. Steel, Republic Steel, et al., refuse to pay. The government won't allow them. Professor Dunlop's sagacious-appearing Cost of Living Council has clamped a ceiling on what the American steel industry can pay. But there are no price controls on coal exported to Europe, Asia, and Latin America. Nor are there price controls on what the American mine operators can charge electric power utilities.

All other metallurgical coal lies under a price ceiling. So the U.S. steel industry lies under a pall.

Some now live a hand-to-furnace-mouth existence. Few have more than dangerously short supplies of this special coal.

Having carefully arranged to commit suicide by firing the Communist furnaces while our own are cold, to build Russian tanks and Russian planes and the Russian nuclear industry, and to feed the Russian bear, it is obviously time to provide for the Chinese dragon.

Tribute For Red China

According to the *Los Angeles Times* of December 17, 1973, the Red Chinese are just dying to do business with "genuine, bona fide American capitalists." And, just as with the U.S.S.R., the Number One hustler of trade with Mao-land is David Rockefeller, the super-capitalist who is promoting a socialist World Government. In fact, it was shortly after David Rockefeller gave a press conference in Hong Kong advocating trade with the Red Chinese that Nixon and Kissinger trotted off to see Mao in what amounted to a trade mission. That kicked open the door. Now Chase Manhattan has become the official correspondent bank for the Red Chinese Government. Mao has a friend at Chase Manhattan.

To help arrange the looting of our economy for the benefit of Comrade Mao, David Rockefeller has formed The National Council for U.S./Red China Trade. In addition to Rockefeller, the Council is composed of Gabriel Hauge, Manufacturers Hanover Trust, New York; W.M. Blumenthal, Bendix Corporation, Southfield, Michigan; John W. Hanley, Monsanto Chemicals, St. Louis; Donald Burnham, Westinghouse Electric, Pittsburgh; Thornton Wilson, Boeing Aircraft, Seattle; William Hewitt, Deere and Company, Moline, Illinois; and, Lucien Pye of the Massachusetts Institute of Technology. Rockefeller, Hauge, Blumenthal, Hewitt, and Pye are all members of the

corporate socialists' Council on Foreign Relations. Little wonder, with such promoters fronting the show, that the Canton Trade Fair recently drew 250 U.S. business executives.

"And you must remember," says David Rockefeller, "the Chinese are not only purposeful and intelligent, they also have a large pool of cheap labor. So they should be able to find ways to get trading capital." If wages are low behind the Iron Curtain in Europe, imagine how attractive they are in Red China. Such things are not missed by David Rockefeller.

Mr. Rockefeller is also in the oil business, and he apparently has big things in mind for his new friends in Peking. Robert S. Elegant writes in the *Los Angeles Times* of May 20, 1973:

China and the United States are actively negotiating for cooperative exploitation of massive undersea oil reserves along the People's Republic's east and southeast coasts, authoritative sources have revealed.

Long-term development of those resources, which are believed to exceed all the world's presently known reserves, will not only cement the Sino-American relationship, but will also radically alter the present world balance of power.

The sources indicated that the oil resources' joint exploitation would be the cornerstone of continuing and closer relationship between Peking and Washington — a relationship not merely economic but political. . . .

. . . Only the United States possesses the deepwater technology and engineering hardware to sink wells in the 400-700 foot depths where most of the oil lies. . . .

Although China's total reserves are not yet known precisely, American interest centers on the undersea oil, rather than the land fields. As early as 1968, preliminary surveys

conducted by the American oceanographic ship Hunt concluded that the reserves were massive. . . .

Both political and commercial reticence have kept confidential the specific conclusions of subsequent exploration. But their results are, in the words of one authority, "breathtaking." . . .

During that period [five years to get into production], the United States and China would be linked by common interests that far outweigh the differences between the two capitals.

Meanwhile, Mao and Company are flying Boeing 707 airplanes and dealing with United Aircraft for heavy-duty helicopters similar to those used by the U.S. military.* Standard Oil of Ohio has signed an agreement with the Red Chinese to supply them with the acrylonitrile production process necessary to manufacture the basic material in acrylics, orlon, and other man-made fibers. Giving that process to Red China, where slave labor is available in the hundreds of millions, should about finish the markets of the American garment industry.

The U.S. Government has already given a major shot in the arm to Mao's textile industries by providing cotton subsidized by the American taxpayers. Last year the Chinese Reds "bought" on the looters' sneak-away plan some 755,000 bales of U.S. cotton. According to the *Kansas City Times* of August 21, 1973, this was equivalent "to the amount of cotton exported" to all countries during the previous year. Little wonder, with such massive looting, that the price Americans must pay for cotton garments, sheets, and fabrics has skyrocketed!

Meanwhile, the ubiquitous Pullman

*United Aircraft is also negotiating to sell one hundred million dollars' worth of the helicopters to Communist Romania, and Lockheed has just signed a protocol with the Soviets to build helicopters for the Comrades.

Company has received five contracts valued at \$130 million to construct large ammonia plants in Red China on credit. A satellite corporation of Pullman has been awarded Red Chinese contracts for looting America (again on credit guaranteed by the U.S. taxpayer) of eight synthetic fertilizer plants. And so it goes.

Looting Our Farms

Besides looting our technology to assure industrialization of the Communists, our government is also committed to looting our farms to feed the masses in the various Workers' Paradises. The Great Grain Robbery has become so notorious that it has few defenders outside of the Nixon Administration and the officers of the international grain companies who made fortunes on the steal. Throughout the entire summer of 1972, U.S. Government officials, supposedly unaware of the extent of Russian purchases, blissfully encouraged the sale of four hundred million bushels of American grain by maintaining prices artificially low through payment to exporters of some three hundred million dollars of tax subsidies. The Comrades "bought" a billion dollars' worth of wheat. The U.S. Government paid \$750 million to facilitate the "sale."

Congressman Ben Blackburn computed the total costs of the Grain Steal to the American public. He found that, according to figures supplied by U.S. Comptroller General Elmer B. Staats, the massive grain "sales" to the Soviets quickly raised domestic prices of wheat from about \$1.63 a bushel to nearly \$4.50 a bushel. The Staatsistics estimate that the minimum cost to consumers of wheat and other flour-based products amounted to three hundred million dollars during the first nine months after the steal. By sending the cost of feed into the stratosphere, the looting of American grain added \$1.5 billion to the meat bills of America's housewives during the same nine-month period. The Congressman cal-

culated another eight hundred million dollars in added costs to consumers for poultry, eggs, and dairy products. In addition to the three hundred million dollars of your taxes that went to the wheat wheelers and dealers, there was another four hundred million dollars for which we were looted in transportation subsidies.

Naturally the Russians didn't pay cash, but financed the Grain Steal by a "loan" of \$750 million from the Commodity Credit Corporation. The interest rate (6 1/8 percent) is lower than what it cost the U.S. Treasury to borrow the money in order to make the loan.*

As a result of this looting of our grain, costs went up everywhere in the American economy. The \$750 million credit was paid off in deficit dollars, adding greatly to inflation. Freight rates on the railroads had to be increased by about ten percent, and the movement of the wheat precipitated a freight-car shortage unknown in the history of this country's railroads. Chaos was created for every other industry attempting to move its products, and that too raised costs. More directly, wheat shipments to the Soviets have caused a price surge at home which greatly increased the price of flour our bakers must buy. This resulted in a large number of bankruptcies among the independent bakers — which, so far, have cost

*Promoters of trade with the Communists claim that the Russians have never defaulted on a commercial contract. Yet the more than eleven billion dollars this country loaned the U.S.S.R. during World War II is still unpaid. In order to be able legally to loan the Comrades more money, the debt is to be settled at about a nickel on the dollar, with final payment deferred until 2001 — and then only if we will grant them "Most Favored Nation" status.

And, as Professor Antony Sutton notes, "there is always the possibility of default such as Canada endured in 1969. The Soviets agreed to buy nine million metric tons of Canadian wheat over three years. After delivery of 5.2 million tons the Soviets defaulted. At the time the Canadian loss was estimated at up to \$200-300 million."

ten thousand jobs. Other major losers were U.S. farmers, who had lost at least \$120 million on the steal by September 1972. Breeders were killing chickens because they could not feed them and still sell at a profit in the price-controlled market, and dairymen were sending milk cows to the slaughterhouse because they couldn't make a profit on price-controlled milk after paying the exorbitant price of feed.

Congressman Blackburn concludes: "If we sum up the cost of the Soviet grain deal to the American public, then we reach a sum which for the 9-month period exceeds \$3.2 billion." But, by the time you read this, that figure will have nearly doubled — making the cost of putting bread on the tables of Moscow about \$160 for every family in America.

Do you think a national referendum authorizing such a proposition would pass? Especially if it were known that, thanks to the generosity of the American taxpayer, bread is ten cents a loaf in Moscow and sixty cents a loaf in Los Angeles? Looting America can be very profitable or very costly, depending on which end of the deal you find yourself.

By this time you should not be too surprised to learn that the Red Chinese and other Communist countries have also been let in on the looting of American food. The *Los Angeles Herald Examiner* for July 27, 1973, carried an article headlined, "Russia, China, Cuba To Get Food Credits." It reported:

Congressional conferees Thursday tentatively agreed to authorize low-interest, long-term credit sales of food to Russia, China, Cuba and other Communist countries. . . .

The conferees accepted a Senate provision to lift, except for North Vietnam, the ban on Food For Peace sales to Communist countries. Repayment under such deals can extend 20 years with interest rates as low as 2 percent.

So at a time when the cost of food for the American people, who must pay cash for it, is going up at the rate of two percent a month, the Communists are being permitted to loot us of our food on sneak-away credit at two percent interest per year. At the current rate of inflation, a two percent loan to be paid back in twenty years means that such food is virtually free. Which may give you some idea why the experts are predicting a thirty to fifty percent increase in the cost of food within the United States before the end of this year. My files are full of clippings predicting worldwide food shortages and rationing in the not-too-distant future. The American people had fist fights over gasoline; what do you think it will be like when the supermarkets are empty?

You doubt it? Consider the following report from Paul Scott, Washington's most reliable correspondent:

Assistant Secretary of Agriculture Carroll G. Brunthaver is now in Moscow negotiating a massive new food and feed grain deal. . . .

Brunthaver took to Moscow a copy of the Senate's version of the administration's farm bill scheduled to be voted on in the Senate during the month, to show Soviet leaders the windfall in it for them. This windfall provides for Russia's obtaining U.S. food through PL-480, the original food for peace program, for virtually nothing. Russia would pay for the grain in its own currency which would have to be used on projects within the Soviet Union.

Members of Congress and the nation's farm leaders are being privately told that if the Nixon Administration has its way there will be no reversal of this policy of furnishing cut-rate and free food to Moscow and Peking.

In a little-publicized speech to the

1973 National Agriculture Outlook Conference, Brunthaver clearly outlined this policy decision, stating: "Let me emphasize that the decision for an export-oriented agriculture has already been made. It is already being implemented, and has been for some time. The machine is rolling, and we are not going to throw it into reverse. One reason is that this policy satisfies human needs and desires in many countries. Another reason we are not going to reverse it is our balance of trade."

The wide-ranging impact of this policy decision on the country's food reserves is spotlighted by Brunthaver's report that "U.S. wheat exports in this marketing year are equivalent to three-fourths of the 1972 crop. Soybean exports exceed one-half of last year's crop. Feed grain exports will total over a billion bushels."

This sort of thing is already in motion. According to a dispatch from Hong Kong on August 22, 1973, the United States during 1973 "sold" the Red Chinese on "credit" some 3.2 million metric tons (126.7 million bushels) of wheat, 950,000 metric tons of soybeans, and 630,000 metric tons of corn. The Department of Agriculture has refused to comment on the report that the Chinese Reds have bought 120 million additional bushels of corn.

*Of course, it is not just the Communist countries that get free lunch from Uncle Sam. The *Los Angeles Times* of April 22, 1973, reveals: "At present, the United States contributes about \$380 million worth of food aid to underdeveloped areas annually and another \$700 million or so in credit for sales to friendly countries."

Meanwhile, the U.S. Agriculture Department's Outlook And Situation Board has estimated that by July first our wheat reserves will be at the lowest level since 1947. One arrogant Russian trade minister has even offered to resell us some U.S.-grown wheat from Russian supplies. If this happens, the Soviets will make a profit of about four dollars a bushel on looted wheat we Americans were taxed to subsidize to them in the first place. It took Nixonomics and a foreign policy of capitulation and conspiracy to put this land of plenty in the position of begging a few of its own crumbs from the Communists.*

America's vast ability to produce food is one of our greatest assets. If the government will get out of the food business, our farmers can and will produce enough food to feed the United States and still export billions of dollars' worth of food each year. There is nothing wrong with selling food overseas — as long as it is a genuine sale and not a "credit" sneak-away or outright giveaway at the expense of the American taxpayers.

But, tragically, our government seems to be committed to giving away not only our food but more and more of our substance of every kind as part of a deliberate plan to loot America while strengthening the Communist world in anticipation of a New World Order — a "Great Merger" into a world superstate. Yes, we are being looted — pushed to our knees and looted. Unless something is done, and done soon, we will in a generation have prostrated ourselves before a ravenous world and surrendered our wealth and our liberties to join the slave camps of the would-be masters of that New World Order who even now have their boots on our necks. ■ ■

FROM: _____

TO: _____

THIRD CLASS

Place
Ten-Cent
Stamp
Here