



Fiftieth Anniversary Of Verdun/Keystone

DEADLY LIES

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■ IT WAS the British seer George Orwell who observed: "Political language is designed to make lies sound truthful and murder respectable, and to give an appearance of solidity to pure wind." That is exactly how it is. But in recent months more and more Americans have been awakening angry. Which is why a recent survey showed that the public now has more

faith in the honesty of trash collectors than in the typical politician.

And with good reason. For the better part of this century, our dominant "Liberal" politicians have been promising that their collectivist nostrums will produce perpetual peace, permanent prosperity, and universal happiness. It hasn't worked out that way. Employing the Big Lie, politi-

Woodrow Wilson campaigned on the promise to keep us out of war after he had already committed to entry on the side of Great Britain; Franklin Roosevelt declared: "Your boys are not going to be sent into any foreign wars." Roosevelt had already secretly committed to bring the U.S. into the war on the side of the Allies.

cians have maneuvered us into four wars during this century.

We entered World Wars I and II as a direct result of Presidential deceit. The war in Korea resulted from lying to our potential enemy — in that case when Secretary of State Dean Acheson announced that South Korea was outside of our defense perimeter, inviting an attack from North Korea. When the inevitable invasion came, South Korea was suddenly *within* that perimeter. The protracted bloodletting in Vietnam was also a consequence of repeated lies.

When the truth later surfaced, patriotic fervor for World Wars I and II largely prevented serious examination by the public of the real reasons for American entry. The Korean stalemate establishing the perverted principle of the "No-Win War" was largely ignored by serious historians, and radical propagandists have used the political perfidy in which the Vietnam debacle was brewed to disillusion the American people and break their will to stop the Communists anywhere short of Miami Beach. All four of these wars greatly advanced the goals of the Establishment *Insiders* working to destroy American sovereignty and create a World Government dominated by themselves.

Many of the problems we face today are directly related to our entry

into the Great War. American participation in World War I is now seen as one of the greatest blunders in our nation's history. It was, however, no mere blunder — for our top politicians contrived for years at American entry and employed the Big Lie to ensure it.

In 1916, while the bloodbath in Europe was at its height, President Woodrow Wilson was running for reelection on the campaign slogan "He Kept Us Out Of War," and making statements like this: "No people ever went to war with another people. Governments have gone to war with one another. Peoples, so far as I can remember, have not, and this is a government of the people, and this people is not going to choose war."

In those days before radio and television, campaigning consisted of rallies and whistle-stop tours. Invariably, wherever the wily Wilson appeared, there was a large banner behind him declaring: "He Kept Us Out Of War." And every time Wilson stood in front of that banner, he knew he was lying. Woodrow Wilson had already made a secret commitment to Britain to put America in the war.

Successfully avoiding entangling alliances for over a hundred years, America had remained neutral through Europe's periodic wars. The

American people were anxious to stay out of the major holocaust which had started in 1914.

As Wilson lied in the campaign to assure his re-election, the Big Lie was being promoted in other circles as well. While the vast British Empire had been established and maintained by military power, it was Germany which was sold to the American people as aggressively militaristic. Millions were spent by such Anglophiles as Andrew Carnegie to make certain that Americans, many of whom were of English extraction anyway, saw the European conflict through British eyes. Cables to the continent were cut and the only war news which appeared in American newspapers came out of Britain where it had been cleared by British censors or fabricated by Anglo propagandists.

Meanwhile, J.P. Morgan and his henchmen did a lot of arm twisting to make sure that the key dailies were firmly in the Allied camp. Morgan & Company had a big stake in the war as it was the British government's official financial representative in America and raked off handsome commissions on billions of dollars' worth of munitions which the U.S. sold to the Allies during the conflict. By contrast, the Central Powers purchased a comparatively small \$170 million worth of American goods in 1914, and their purchases soon dipped to only one percent of that figure.

The Henry Kissinger of the Wilson Administration was Colonel Edward Mandell House. The "Colonel" was honorary; House sent other people off to war, but he never served in the military. Wilson called House "my alter ego" and used him as his war planner while he stumped the country campaigning with the Big Lie as a foe of American entry into the war. He declared, for instance: "If I permitted myself to be a partisan in this

present struggle, I would be unworthy to represent you."

It was all a conscious fraud. More than a year earlier, on May 30, 1915, Colonel House had written in his diary: "I have concluded that war with Germany is inevitable . . .," adding that he would soon persuade Wilson to put America in the conflict. Documents subsequently published in *The Intimate Papers Of Colonel House* reveal that before the end of the year the Colonel had briefed the President on the particulars of the speech Wilson would make when it came time to declare war on Germany.

To appreciate the enormity of the Big Lie that Wilson was pushing, one must realize that the formal policy of the inner circles of the Wilson Administration was spelled out in a memorandum by Secretary of State Robert Lansing, dated July 1915, declaring: "Germany must not be permitted to win this war or to break even, though to prevent it this country is forced to take an active part American public opinion must be prepared for the time, which may come, when we will have to cast aside our neutrality and become one of the champions of democracy." In another secret memorandum, Wilson's Secretary of State wrote: "We must educate the public gradually — draw it along to the point where it will be willing to go into the war."

While Wilson was stumping the hustings, repeating his Big Lie about keeping us out of the war, he had Colonel House in England arranging with the British Foreign Secretary, Sir Edward Grey, for America's entrance into the conflict. The negotiations were carried on without the knowledge of the Senate and in direct violation of both the spirit and the letter of the Constitution, and were not revealed until 1927 when House's private papers were published. The plan the

conspirators cooked up was to offer the Germans an unreasonable peace; when they refused the terms, America would enter the war. Britain now knew that she could reject every other peace offer because American troops and arms would be arriving in Europe soon after the re-election of Wilson.

The irony is that since Britain and France were both near exhaustion the war undoubtedly would have ended on the *status quo ante-bellum* terms which Germany offered. Had this happened, not only would America have had no war to enter, but there would have been no Bolshevik Revolution in Russia.

As soon as Woodrow Wilson was safely re-elected, the Establishment newspapers began beating the war drums. The Big Lie was: "If England and France are licked, our turn is next." In order to generate war fever, the newspapers constantly boomed about German submarine warfare. It too was a phony issue. Germany and England were at war; both were blockading. Morgan, Carnegie, and other international operators were selling munitions worth millions to Britain. The Germans could not allow those supplies to be delivered any more than the English would have allowed them to be delivered to Germany. If Morgan and Carnegie wanted to take the risks and reap the rewards of selling munitions to Great Britain, that was their business. It was certainly nothing over which the entire nation should have been dragged into war.

The sinking of the *Lusitania*, two years earlier, was once more turned into daily headlines. At the time it was sunk, the *Lusitania* was carrying six million pounds of ammunition. What is more, it was illegal for American passengers to be aboard a ship carrying munitions to belligerents. On June 19, 1913, almost two years before the

liner was sunk, the *New York Tribune* carried a short report which stated: "Cunard officials acknowledged to the *Tribune* correspondent today that the greyhound [*Lusitania*] is being equipped with high-power naval rifles" In fact, the *Lusitania* was registered in the British Navy as an auxiliary cruiser. And the German government took out large ads in the New York newspapers warning potential passengers not to try to cross the Atlantic on it. Those who chose to make the trip knew the risk they were taking.

Yet the sinking of the *Lusitania* was used by masters of the Big Lie, over a two-year period, to portray the Germans as inhuman butchers of American innocents. English author Colin Simpson, using official British papers recently released, shows in his book *The Lusitania* that the whole incident was set up by purposely sending the ship into the path of a German submarine to produce propaganda that would help Wilson get America into the war. The Big Lie finally worked. On April 6, 1917, Congress declared war. The American people acquiesced on the basis that it would be a "war to end all wars."

Morgan, Carnegie, and other *Insiders* who helped to pull this off were soon neck deep in war profits. *Insider* banker Bernard Baruch, for instance, was made absolute dictator over American business when President Wilson appointed him Chairman of the War Industries Board, where he had control of all domestic contracts for Allied war matériel. It was widely rumored in Wall Street that out of the war to make the world safe for international operators Baruch personally netted a cool two hundred million dollars.

How could Wilson and the others get by with lying us into so senseless a war? Obviously because they had sub-

stantial support. There were powerful profiteers, of course. And America had a strong Anglophile network in high social and financial circles. To this was added the backing of powerful Jews when, early in 1916, the English Government agreed to the Balfour Declaration — a letter to Lord Rothschild declaring that after the war Great Britain would "look with favor" on the establishment of a Jewish homeland in Palestine. Far more important, however, and with some overlap in all three groups, were the conspiratorial *Insiders* who hoped to use the war as a lever for the creation of what they called "the new world order."

That is a phrase used not only by Woodrow Wilson, but subsequently by Hitler, Rockefeller, Nixon, and Kissinger — and it means a World Government under the control of conspiratorial *Insiders*. Historian Walter Millis writes of Colonel House that: "The Colonel's sole justification for preparing such a batch of blood for his countrymen was his hope of establishing a new world order of peace and security."

Having lied to get us into war, Wilson and his Kissinger were not through lying to the American people. This bloody conflict was now boot-labeled as "the war to end all wars," when in fact it was only a terrible preliminary. The rise of a Hitler was all but made certain by the punitive Versailles Treaty which was fastened on Germany despite Wilson's typically solemn promise that the conflagration would end with a "peace without victors." And, of course, our entrance unleashed the Bolsheviks with unparalleled long-term consequences. Wilson, the great peacemaker, said of the Russian Revolution: "Does not every American feel that assurance has been added to our hope for the future peace of the world, by the

wonderful and heartening things that have been happening within the last few weeks in Russia? . . . Here is a fit partner for a League of Honor."

While the *Insiders* manipulated the egomaniacal Wilson, who was led to picture himself as the first President of the World, achievement of their contemplated "new world order" was frustrated when a disillusioned America refused to join the League of Nations as a first step toward creating the contemplated World Superstate. The Big Lie was for a time in disrepute, but the nation's poor bandaged fingers soon went wobbling back to the fire.

The means by which America was pushed into World War II were every bit as fraudulent as those by which we had been entangled earlier. The cast of characters on stage was new, but the same puppeteers were still pulling strings from behind the scenes and the scenario remained the Big Lie. Involved in precipitating both tragedies was the ubiquitous conspirator Colonel E.M. House. Franklin Roosevelt had, in fact, journeyed to visit House at his Massachusetts home immediately after receiving the Democratic nomination. Raymond Moley, an original member of F.D.R.'s "Brain Trust," later wrote in *After Seven Years* that immediately after the election Roosevelt called a meeting with House for November 13, 1932. Moley says that "It was . . . the prelude to a fateful struggle between two schools of thought . . . The Prize of the struggle was to be the foreign policy of the United States in the face of a war-infested and war-ridden Europe." The struggle was won by the pro-war faction and the Big Lie was soon marched out for display.

The Presidential campaign of 1940 offered a not so instant replay of the 1916 canard about Wilson that "He Kept Us Out Of War." Once more

America was to be victimized by the Big Lie as F.D.R. posed as the apostle of peace. Typical of his campaign speeches was the following from an address on October 23, 1940:

To Republicans and Democrats, to every man, woman and child in the nation, I say this: Your President and your Secretary of State are following the road to peace. We are arming ourselves not for the foreign war. We are arming ourselves not for any purpose of conquest or intervention in foreign disputes. I repeat again that I stand on the Platform of our Party: We will not participate in foreign wars and we will not send our army, naval or air forces to fight in foreign lands outside of the Americas except in case of attack . . . It is for peace that I have labored; and it is for peace that I shall labor all the days of my life.

A week later President Roosevelt phrased it this way: "I give you one more assurance. I have said before, but I shall say it *again and again and again*. Your boys are not going to be sent into any foreign wars."

When skeptics challenged his sincerity, F.D.R. made a joke of the Big Lie with his famous statement: "I hate war. Eleanor hates war. And [my dog] Fala hates war." In closing his campaign, the Saturday before the election, the scheming Roosevelt told the gullible electorate: "Your President says this country is not going to war."

That was all very clear and definite, wasn't it? Clear, definite, and deliberate lies. The Neutrality Act of 1935 specified that the U.S. could not sell armaments to "belligerent" nations — to any country at war. President Roosevelt had re-interpreted "belligerent" nations to mean only those he said had started the war. Ac-

tually, England and France had declared war on Germany, not *vice versa*. But England and France were permitted to buy war materials and the Axis nations were not. The hypocrisy was compounded when Lend-Lease was passed and armaments were made available to the Soviet Union which had joined Germany in the act of carving up Poland which precipitated the war.

President Roosevelt's next preparation for not going to war was the Selective Service Act of 1940, which established an unprecedented peacetime draft for conscripting men into the Army. Later the same year Roosevelt traded fifty destroyers to Britain for some un-needed naval bases in the Bermudas.

In March 1941, F.D.R. made a farce of even the pretense of neutrality by declaring that America would henceforth be the "arsenal of democracy" and provide armaments for the Allies. Roosevelt asked for fifty billion dollars (the equivalent today of at least two hundred billion dollars) in arms spending for the war in which he said we would not engage. And, in June 1941, President Roosevelt further expressed his determination to stay out of the war by closing all German and Italian consulates.

Franklin Roosevelt was so eager to provoke Germany into war that in April of 1941 he put the U.S. Navy in a posture designed to provoke military incidents, sending Naval patrols into the North Atlantic to report the presence of German subs to British warships. In September, orders were given the U.S. Navy that upon locating German submarines our ships were to "shoot on sight." Still, as Ron Radosh notes in *Prophets On The Right*: "Roosevelt was constantly asserting that his goal was to keep out of the conflict."

Most of F.D.R.'s defenders now

admit his duplicity, but they argue that he *had* to lie and take secret measures. This rationalization is most boldly promoted by diplomatic historian Thomas A. Bailey, who writes: "Roosevelt repeatedly deceived the American people during the period before Pearl Harbor He was faced with a terrible dilemma. If he let the people slumber in a fog of isolation, they might well fall prey to Hitler. If he came out unequivocally for intervention, he would be defeated in 1940."

Bailey continues by explaining that F.D.R. was acting like "the physician who must tell the patient lies for the patient's own good." He admits that Roosevelt betrayed "a certain lack of faith in the basic tenets of democracy," but he adds that the "masses are notoriously shortsighted" and politicians have to "deceive them into awareness of their long-run interests."

Such admissions became necessary with the release of certain "top secret British government papers." Included were notes taken by Winston Churchill during the shipboard meeting with F.D.R. in August 1941, at which the so-called Atlantic Charter was created. Premier Churchill's account of President Roosevelt's commitment follows:

He (Roosevelt) obviously was determined that they should come in.

If he were to put the issue of peace and war to Congress, they would debate it for months.

The President had said he would wage war but not declare it and that he would become more and more provocative. If the Germans did not like it, they could attack American forces.

The truth is that Adolf Hitler was a brutal dictator — a racist who operated monstrous concentration camps

and put millions to death. So did Joe Stalin, our "noble ally," as he came to be called by a fawning Establishment press. America did not threaten to go to war when Stalin's henchmen later took over Latvia, Estonia, and Lithuania. Or when they invaded brave little Finland. Or when at the end of World War II they took Czechoslovakia, Hungary, Romania, Albania, Yugoslavia, and Poland. But somehow, when Germany went to war with Poland because the Poles refused to return the German city of Danzig, wrongfully stripped from her by the Versailles Treaty, it became a reason for war.

Hitler did not want war with either America or England. His war aims and intentions were clearly spelled out in *Mein Kampf*: "If we speak of soil in Europe today, we can primarily have in mind only Russia and her vassal border states." As English historian A.J.P. Taylor admits: "Eastern expansion was the primary purpose of his policy, if not his only one." Remember: When war was declared, England and France declared it.

"Liberals" have argued that from the day Hitler assumed power he began preparing for world conquest. The German dictator did promise he would "break the chains" of the Versailles Treaty, which he did. He re-armed Germany to give it parity in armaments with France, England, and Poland. But, as Bernard Klein points out in his *German Economic Preparations For War*, it was more beneficial for Germany to remain on a peacetime economy than to switch to war production. In 1939, German armaments accounted for only sixteen percent of its total Budget, and in 1940 and 1941, Germany cut defense spending below the percentage of G.N.P. that the Soviets are spending this year. That is hardly the action of a nation bent on world conquest.

The Germans continually frustrated Roosevelt by refusing to be goaded into war with the United States. They weren't stupid enough to fall into that trap after their experience in World War I. Since the stubborn Germans refused to declare war on America, F.D.R. determined to maneuver Germany's ally, Japan, into attacking us in the Pacific. On July 25, 1941, he froze all Japanese assets in the U.S., a decidedly un-neutral move. The Americans, English, and Dutch embargoed all shipments of oil to Japan, making war inevitable since Japan was a maritime nation and could not exist without oil for her merchant fleet. Percy Greaves, former Chief of the Minority Staff in the joint congressional investigation of Pearl Harbor, writes:

Meanwhile in both Japan and the United States there was an increasing debate between their respective "peace parties" and "war parties." The peace group was in power in Japan and they made every effort to come to amicable terms with the United States, which refused all their overtures This failure led to the fall of the Japanese Cabinet and the tide turned with their War Minister becoming Prime Minister.

Roosevelt and his coterie were well aware that war with Japan was coming. Naval intelligence had broken the Japanese diplomatic code and knew their every move in advance. Yet American military leaders in Hawaii and the Philippines were not informed that the attack was imminent because Roosevelt was afraid that the Japanese might become alarmed and fail to attack. Indeed, Japanese commanders were under orders to turn back from Pearl Harbor if their plans were discovered. Roosevelt would not be denied his excuse

for war, and since the Gallup Poll showed that eighty-three percent of Americans were opposed to U.S. entrance into the war, only something like the attack on Pearl Harbor would permit American entry. Our fleet and sailors at Pearl Harbor were simply used by Roosevelt as live bait.

The Big Lie worked for Roosevelt exactly as planned. Millions of Americans who had opposed our entry into the war now marched off to battle crying "Remember Pearl Harbor!"

Why was Roosevelt so anxious to involve us in war that he was willing to lie repeatedly in ways that he knew subsequent historians were sure to discover? For one thing his New Deal, which had promised to cure the Depression, was in deep trouble. The Keynesian quackery had failed to produce prosperity. In 1938, after six years of New Deal magic, unemployment still stood at eleven million, almost as many as in 1933. Armament sales, first for cash and then as part of Lend-Lease, promised to spur the economy — but direct involvement in the war would be even better. Why, it might totally eliminate unemployment.

Naturally, Anglophiles and Jews anxious to spare their co-religionists from Hitler's anti-Semitism were also pushing Roosevelt for intervention. They did everything possible — and that was quite a lot. When Hitler turned on his ally Stalin, invading Russia, powerful Leftwing elements in America joined in the game. In his monograph, *Communism At Pearl Harbor*, Anthony Kubek tells how Communists and Communist sympathizers in the government did everything possible to push America into the war as quickly as possible. According to Professor Kubek: "There are two channels through which Communist agents might have exerted influence. One is Harry Hopkins and

Lauchlin Currie The other is the Communist group in the Department of State, particularly Alger Hiss.* Currie and one of the Hiss brothers were at this time in daily consultation with Harry Dexter White."

Using the Big Lie, as had Wilson, Franklin Roosevelt was able to turn World War II into the same religious crusade for a new world order that had marked our participation in World War I. Professor Robert Padover, in his rhapsodizing biography of F.D.R., declares: "In his war aims, Roosevelt, solidly backed by a virtually unanimous nation . . . was fighting for the same broad objectives that had been proclaimed by his Democratic predecessor in the White House a score of years earlier. Woodrow Wilson had formulated his international program in his Fourteen Points; Roosevelt proclaimed the Four Freedoms. Wilson had proposed a League of Nations as a permanent institution for the settlement of international disputes; Roosevelt offered the world the United Nations for the achievement of the same goal"

Stripped of the embarrassing rhetoric, that means we were once again at war to further the course of World Government. At the time, of course, we were told that World War II was being fought to protect the independence of the small nations of the world like Poland and Czecho-Slovakia. But it was, as usual, lies and more lies. At Teheran and Yalta, the nations of Eastern Europe were sim-

ply handed over to "Uncle Joe" Stalin. The Swastika was hauled down from the flag pole and the hammer and sickle run up. Meanwhile, something like forty million people were dead and we shall be paying for the war until the end of time.

When after his death Roosevelt got his United Nations, it too proved part of the Big Lie, and there is still no peace in the world. Thanks to the Communists, more than fifty wars have been fought since the creation of the U.N., and war continues today in the Middle East and in Africa. But, with the establishment of the United Nations, the *Insiders* now had a vehicle capable of carrying them into the new world order, and their Communist allies controlled not only the Soviet Union but all of Central Europe, major enclaves in Western Europe, the whole of mainland China, and would soon replace the old Western colonial powers in Asia and Africa.

Defenders of Wilson and Roosevelt tell us that just because everything their heroes told us about the World Wars turned out to be lies, we should not blame them for the consequences of their acts. Which is, of course, total lunacy. Anyone who has made even a cursory study of the behind-the-scenes manipulation of those wars knows they turned out just as the Establishment *Insiders* at the top planned. If we do not learn to hold our politicians responsible for the consequences of their actions, if we do not stop the Big Lie, we shall soon be one with Nineveh and Tyre.

The causes and consequences of wars are, of course, so complicated that it is possible to keep the bulk of the population permanently confused about them by continuing to lie until the lie becomes a myth and the myth is accepted as history. Domestic matters are something else. People come face to face with the consequences of

*In the January 1976 issue of *American Opinion*, your reporter inadvertently included Larry Davidow with a number of former Communists who had warned the government that Alger Hiss was a Communist. Through an error in transposition, Mr. Davidow's name was put in the wrong group. Larry Davidow never joined the Communist Party, but he did try patriotically to warn the government about Hiss. My sincerest apology to Mr. Davidow for this mechanical error.

big government every day. That is why virtually all political candidates this year, regardless of their true ideological commitment, are campaigning against the bureaucrats in Washington. But here, as in foreign policy, the technique involves the Big Lie. Let us therefore move on from foreign affairs to domestic affairs and examine some of the deadly lies the conspirators have employed here.

One piece of legislation made big government a possibility in the United States. It is the progressive income tax approved in 1913. The Founding Fathers, in their wisdom, had not allowed the federal government to tax income. The colonists had been sensitive about taxes, though the "oppressive taxation" of 1776 was (comparatively) nothing at all.

Sir Charles Dalrymple in "The Address of the People of Great Britain to the People of America" (1775) wrote, "you [Americans] pay only seventy-five thousand pounds, or six pence on each person, and this in a country where a labouring man gets three times the wage that he does in England, and yet many live on half the expense." Today, with inflation, six pence (or six pennies) is worth roughly thirty-one cents. This means that British taxes on Americans, over which we fought a civil war with Britain, were less than one percent of the annual colonial income. In fact, in 1776, six pence was considerably less than an average wage for one day. In other words, for all that talk about "oppressive taxation," Americans (by modern comparison) never had it so good as in colonial times.

The Founding Fathers believed they could derive adequate revenues from import and excise taxes and from "duties upon articles of consumption" — sales taxes. Treasury Secretary Alexander Hamilton contended that the sales tax was fair be-

cause the rich would buy more than the poor. America's first income tax came during the Civil War, but the tax was stopped soon after hostilities ceased.

In 1894, Congress imposed a tax of two percent on incomes above four thousand dollars — a considerable income in those pre-inflation days. The rate was very mild indeed, but the criticism wasn't. Senator John Sherman described the tax as a perfidious venture in "socialism, communism, devilism."

On January 26, 1894, Representative Robert Adams correctly prophesied: "The imposition of the [income] tax will corrupt the people. It will bring in its train the spy and the informer. It will necessitate a swarm of officials with inquisitorial powers. It will be a step toward centralization . . . It breaks another canon of taxation in that it is expensive in its collection and cannot be fairly imposed; . . . and, finally, it is contrary to the traditions and principles of republican government."

The income tax of 1894 was quickly declared unconstitutional. But pressure from collectivists for a federal income tax increased. Finally, a Republican Congress during the Taft Administration agreed to approve a Constitutional Amendment providing for such a tax in exchange for passage of a trade bill that would maintain a high tariff. The Republicans believed the Sixteenth Amendment would not be ratified by the necessary two-thirds of the states, but it was.

Soon after ratification, the Democrats who had in the interim taken control in Washington pushed through an income-tax bill. Exemptions of three thousand dollars were granted to an individual and of four thousand to a married couple (no exemptions were made for children). Income above the
(Continued on page eighty-seven.)

DEADLY LIES

exemption level was taxed at one percent; income from twenty thousand to fifty thousand dollars at two percent. The rates were graduated to half a million dollars, which was taxed at six percent.

When famed attorney Joseph Choate remarked ominously that, in time, the tax could go to fifty percent or even higher, Senator William E. Borah arose and shook his massive head. The very idea that anyone could ever be taxed at a fifty percent rate was just plain silly, said the Progressive Republican from Idaho. Hurling his rhetoric directly at Choate, Borah embraced the Big Lie and asked: "Whose equity, sense of fairness, of justice . . . does he question?"

According to the proponents of the graduated income tax, one of the ten planks of the *Communist Manifesto*, this new wonder of the world would be an imposition only on the very wealthy and would create instant Nirvana. If you are not diabetic, read the following sugar-coated Big Lie presented in favor of the income tax by Congressman David DeArmond of Missouri:

The passage of the [Wilson] bill will mark the dawn of a brighter day, with more sunshine, more of the songs of birds, more of that sweetest music, the laughter of children, well fed, well clothed, well housed. Can we doubt that in the bright, happier days to come, good, even-handed Democracy shall be triumphant? God hasten the era of equality in taxation and in opportunity. And God prosper the Wilson bill, the first leaf in the book of reform in taxation, the promise of a brightening future for those whose genius and labor create the wealth of the land, and whose courage

and patriotism are the only sure bulwark and defense of the Republic.

The Marxist income tax has yet to produce paradise on earth. The promises of its promoters were merely more of the Big Lie. When the income tax was passed, federal spending was less than one billion dollars; this year the federal government will spend four hundred billion dollars. As the late Sumner Slichter of Harvard remarked in 1942: "The tax history of the United States in recent years has been fairly sensational. A visitor from Mars would suspect that a Communist fifth columnist was writing the laws for the purpose of making private enterprise unworkable."

Indeed. Serfs of the Middle Ages were required to give ten to fifteen percent of their annual income to the landlords and nobles. But the American citizen today, through direct and indirect taxation, is required to surrender to the government nearly forty-five percent of his annual income. So much for the Big Lie that gave us "even-handed Democracy."

While the passage of the graduated income tax provided the government with a mechanism to extort continuously larger amounts of money from the nation's producers, the creation of the Federal Reserve System in that same year, 1913, was designed to permit the government to go deeply into debt and simultaneously to inflate the money supply. Once more that trap was sprung with the Big Lie.

The Rockefellers, Morgans, and other Wall Street bankers who backed the creation of the Federal Reserve established a front organization, called The National Citizens' League, to propagandize for passage of the bill. The name was certainly misleading since it suggested a grass-roots organization, and the League even operated from Chicago to duck the con-

nection with Wall Street. Its literature claimed: "You insure your property against fire, your business against risks. We ask you to pay a single premium for the insurance of your business against money panics . . . business collapse . . . and depressions. . . . These are the benefits of banking and currency reform . . . assured if the businessmen will combine and lend it support."

Dr. Henry P. Willis, who actually wrote the bill, later stated: "Nothing was more loudly declared at the inauguration of the System than that it would insure industrial stability." Senator Robert Owen, a co-author who subsequently regretted his role in propagating this fraud, declared at the time that the Federal Reserve Act gave "the United States the most gigantic and masterful [monetary] system of the world It assures them [the businessmen] absolutely against the danger of financial panics"

Not everybody, of course, believed the Big Lie. Conservative Henry Cabot Lodge Sr. proclaimed with great foresight, "The bill as it stands seems to me to open the way to a vast inflation of currency I do not like to think that any law can be passed which will make it possible to submerge the gold standard in a flood of irredeemable paper currency." After the vote, Congressman Charles A. Lindbergh Sr., father of the famous aviator, told Congress: "This act establishes the most gigantic trust on earth When the President signs this act the invisible government by the money power, proven to exist by the Money Trust investigation, will be legalized The new law will create inflation whenever the trusts want inflation"

Yet the Federal Reserve Act was, and still is, hailed as a victory of "democracy" over the "money trust."

Nothing could be further from the truth.

The whole central bank concept was engineered by the very group it was supposed to strip of power. The myth that the "money trust" had been defrocked should have been exploded when Paul Warburg was appointed to the first Federal Reserve Board. International banker Warburg relinquished his job as a Kuhn-Loeb partner at half a million dollars a year to take a job with the Federal Reserve at twelve thousand dollars a year. Chairman of the New York Federal Reserve Bank during its early critical years was Benjamin Strong of the Morgan interests. The group was handpicked by Colonel House.

In *The Intimate Papers Of Colonel House*, Professor Charles Seymour refers to the "Colonel" as the "unseen guardian angel" of the Federal Reserve Act. Seymour's work contains numerous documents and records showing constant contact between House and conspirator Paul Warburg while the Federal Reserve Act was being prepared and steered through Congress. Biographer George Viereck assures us that "The Schiffs, the Warburgs, the Kahns, the Rockefellers, and the Morgans put their faith in House" Their faith was amply rewarded.

Upon signing the bill, Woodrow Wilson formalized the Big Lie with a straight face, declaring: ". . . the heart of our system, the Federal Reserve, is not a great central bank but a body appointed in response to the government and by the same token responsible to the people of the United States."

Responsible to the people of the United States? Even for a Big Lie it is a falsehood of such proportions as to make one wonder why Wilson was not immediately struck by lightning. William McAdoo, Woodrow Wilson's son-

in-law and Secretary of the Treasury when the Federal Reserve Act was passed, admitted in his memoirs that far from being responsible to the people of the United States "the Fed was designed to have power over the Treasury." He confessed that though "the Federal Reserve Board still has offices in the Treasury Building, it is not at all subservient to the Treasury Department — and never was."

Yet the Federal Reserve controls our money supply and interest rates, and thereby manipulates the entire economy — creating inflation or deflation, recession or boom, and sending the stock market up or down at the whim of its masters. It is so powerful that the late Congressman Wright Patman, Chairman of the House Banking Committee, maintained: "In the United States today we have in effect two governments . . . We have the duly constituted Government . . . Then we have an independent, uncontrolled and uncoordinated government in the Federal Reserve System, operating the money powers which are reserved to Congress by the Constitution."

Patman tried for many years to get the Federal Reserve System audited by the General Accounting Office, the government's fiscal watchdog. His efforts were to no avail. The Congressman received a letter from Allen P. Stults, former head of the American Bankers Association, declaring: "I would be deeply concerned with the possibility of public confidence in our central bank and perhaps in our entire financial system being undermined as a result of more public information being made available than at present."

So much for the Big Lie about responsibility to the people of the United States.

Proponents of the Federal Reserve also swore that the system would abso-

lutely prevent further depressions and would bring perpetual growth and prosperity. Again, it was exactly the reverse of what was planned. Having fueled the boom during World War I, the banking *Insiders* arranged through the Federal Reserve to throw the economy into reverse in 1921 by contracting money and credit, producing a severe two-year depression. Congressman Charles Lindbergh had warned that after establishment of the Federal Reserve "depressions will be scientifically created," and he was right. By knowing what monetary policy would be, *Insiders* sold their shares at the top of the market and bought them back at bargain prices in the depths of the depression.

The scheme worked so well in 1921 that the banking *Insiders* decided to repeat it. From 1923 to 1929 they rocketed the market to unheard of heights by making artificially created credit abundantly available and encouraging unrealistic orgies of speculation. After six years of pumping up the economic balloon, they then used the Federal Reserve to stick a nail in it. Money and credit were sharply contracted and the deflated stock market, with no helium to hold it up, sank like a rock.

The airy piracy worked so well that the *Insiders* repeated it in 1937. And in 1948. And 1953. And 1956, 1960, 1966, 1970, and 1974. If you chart Federal Reserve monetary policy against the Dow Jones Averages you will see without a doubt that booms and busts are now "scientifically created."

At the time the Federal Reserve Act was passed, of course, assorted Cassandras warned against the Big Lie and said it would lead to drastic inflation. Yet it was sold to the public as protection against inflation. As Colonel House wrote: "It has been the habit of our people to speak of the enactment of the Federal Reserve law

in December 1913 as a piece of good luck for the country. Luck it certainly was when considered in the light of the possibility that without it the United States might have been swept away with Europe in the depreciated paper money."

When the Federal Reserve Act was passed the per capita money supply was \$148 per person. By 1932 it was up to \$365. Now the money supply is nearly \$3,500 per person. It doubled during the Nixon era. That is currency inflation! All new currency depreciates the value of the currency already in circulation, bidding up prices. That is why the purchasing power of the dollar has sunk by about ninety percent since we had that "piece of good luck" known as the Federal Reserve Act.

There are of course a myriad such Big Lies, but as we are seeking to illustrate our point rather than to provide a catalogue, let us conclude with just two more. One is the Big Lie known as Social Security. To suggest that it is mathematically and actuarially unsound is immediately to be accused of being a ghoul anxious to feed upon the starving flesh of the elderly. The fact that the system is unsound and facing bankruptcy is ignored.

Few pieces of legislation have promised so much and delivered so little as the Social Security Act. Some of its advocates even claimed that it would abolish all other Welfare programs and eliminate crime. The theory was that Social Security would take the elderly out of the job market and leave a great abundance of jobs for everybody else.

President Roosevelt told a radio audience: "The Social Security Act offers to all our citizens a workable and working method of meeting urgent present needs and of forestalling future needs and utilizes the familiar machinery of our federal government

to promote the common welfare and the economic stability of the nation." Labor Secretary Frances Perkins proclaimed that Social Security was "a fundamental part of another great forward step in that liberation of humanity which began with the Renaissance."

The Depression which the Federal Reserve had deliberately created had left many elderly persons helpless and hopeless. The founders of Social Security called it a "floor of protection." But the politicians who were weeping most enthusiastically at the plight of the elderly were soon piling one annual deficit on top of another. When those deficits were monetized (turned into new "money") by the Federal Reserve and the banking system, the inflation destroyed the savings of the people and made Social Security payments inadequate to sustain a household. Americans who were saving for their retirement when the average wage was one dollar an hour and bread was ten cents a loaf retired when wages had gone to five dollars an hour and bread to fifty cents a loaf. As the process continues, the elderly are now kept permanently dependent on the government — not because they didn't save for the proverbial rainy day, for most of them did, but because deficit spending spun out through the Federal Reserve destroyed the value of their savings.

Economics Professor Tom Rose reports: "Social Security has been based on a big lie from its very inception. Back in the 1930s believing citizens were told that the program would work just like a private insurance plan: They were told that money would be deducted from workers' paychecks, and that these 'premiums' would accumulate at interest in the Social Security retirement fund."

The truth is that Social Security is

not like a retirement-insurance plan at all, and was never intended to be. First, there aren't enough reserves in the Social Security fund, relative to its vast liabilities, for it to qualify as insurance. If any private insurance company were to attempt to operate with as thin a margin of reserves as does the Social Security system, it would immediately be shut down as insolvent by the appropriate state insurance commissioners. Social Security is an out-and-out tax. It operates as a revolving fund, paying money out to thirty million retirees and other beneficiaries just about as fast as the money is taxed away from some eighty million employed workers.

It is a Ponzi game. If you understand why chain letters and pyramid schemes ultimately must fail, you know why Social Security is a Big Lie.

Here are the hard facts. By 1980, the so-called reserves of Social Security will be gone. The unfunded deficit of the system (that is, obligations already incurred and falling due in future years for payment of which there is presently no provision) is estimated by the system's own trustees at \$2.5 trillion. That is 2.5 thousand billion dollars. Realistically speaking, there is no chance whatever that this enormous deficit will, or safely could, be made up out of either future withholding or general tax revenues. Therefore, the only alternative is for the government to spin out enough paper money through the Federal Reserve to "meet" these staggering obligations. The result will be the sort of inflation that blew up the Nazi balloon in Germany.

We could go on and on and on with these Big Lies. But we will spare you. Instead let us conclude with one more. It is a simple one, as all have been simple, and yet the consequences have touched millions of homes with fear

and frustration. The year is 1964, we are in the United States Senate, and Senator Robert Byrd of West Virginia is quizzing Hubert Humphrey, floor manager of the historic Civil Rights Bill. Senator Byrd says: "Can the Senator from Minnesota assure the Senator from West Virginia that, under Title Seven, school children may not be bussed from one end of a community to another end of the community at the taxpayers' expense to relieve so-called racial imbalance in the schools?" And Senator Humphrey says: "I do."

After all, the Senator from Minnesota explains, Title Six of the bill says: "Nothing herein shall empower any official or court of the United States to issue any order seeking to achieve a racial balance in any school by requiring the transportation of pupils or students from one school district to another in order to achieve racial balance."

Enough said. As George Orwell warned: "Political language is designed to make lies sound truthful and murder respectable, and to give an appearance of solidity to pure wind." Americans have permitted their political leaders to make a totem of falsehood, a fetish of deceit, and an icon of the Big Lie. They have bent their knees to false political gods of their own making who, to paraphrase Kipling, promised perpetual peace; swore if we gave them our weapons, the wars of the tribes would cease; and who, promising abundance for all, only robbed selected Peter to pay for collectivist Paul.

It is time to recognize that all is not gold that glitters and two and two make four. We shall either overcome the smooth-tongued wizards of the Big Lie, removing them from political office, or face the terror and slaughter that will result from their final betrayal. ■ ■