MULTINATIONALS

Corporate Giants And World Government

Gary Allen, *a graduate of Stanford University, is author of* Communist Revolution In The Streets; Richard Nixon: The Man Behind The Mask; Nixon's Palace Guard; *and,* None Dare Call It Conspiracy — *a sensational new best-seller with six million copies already in print. Mr. Allen, a former instructor of both history and English, is active in anti-Communist and other humanitarian causes. Now a film writer, author, and journalist, he is a Contributing Editor to* AMERICAN OPINION. *Gary Allen is also nationally celebrated as a lecturer.*

■ A DECADE ago hardly anyone had heard of multinational corporations. Even textbooks on international economics ignored them. Today, foundations and corporations are making research grants for studies of the subject; business schools are giving them key billing; and, they are being widely discussed by businessmen, bankers, philosophers, labor leaders, pragmatists, dreamers, Conservatives, and radicals. We are told alternately that the way of the multinational corporation is the yellow brick road to Utopia *and* that the trail leads to national destruction. But all observers agree that the multinational corporation is destined to play an enormously important role in the future of this nation and of the world.

The modern international corporation was born in America about twenty-five years ago with a U.S. investment of "only a few billion dollars" in war-torn Western Europe. Now the total investment is more than $107 billion. And more than seventy-five percent of this total is under the control of fewer than two hundred American corporations. Two-thirds of the world's largest corporations are headquartered in the United States — almost all of them heavily involved in international business. And the multinationals are growing faster than Alice after a swig of Drink Me. Projecting the current rate of growth, Judd Polk, chief economist for the International Chamber of Commerce, concludes that "by the end of the century the economy of the world will be more than half internationalized." Howard V. Perlmutter, of the University of Pennsylvania's Wharton School of Finance and Commerce, says that the trend is "towards a world of very large multinational firms and very small entrepreneurial firms of the 'one man show' variety . . . . I come out with the round number of 300 giant firms."

As these giant international cartels grow, the megamillionaire *Insiders* who head them are using their vast economic power to establish a One World superstate under their control. They admit it openly. On February 7, 1972, a White House Conference on the Industrial World Ahead was convened in Washington. The Conference, called "A Look At Business In 1990," featured major movers and shakers in the business and financial world from both sides of the Atlantic. Their conclusions were later revealed by Roy Ash, formerly president of Litton Industries and now President Nixon's super-supercrat in charge of the U.S. Office of Management and Budget. According to Ash, he and his colleagues decided "that increasing economic and business interdependence among nations is the keynote of the next two decades of world business – decades that will see major steps towards a single world economy . . . ." Mr. Ash declared that the natural development of the world between now and 1990 will make obsolete a free standing French economy, a Japanese one, and even a U.S. economy. And he maintained that the world economy is inevitable, announcing:

> *Such an evolution is natural and inexorable – and beneficial . . . . More highly integrated economic structures – based on specialization of its many elements and on interdependency among the specialized parts – is the inevitable answer. A single world economy is that higher order of integration for the decades ahead.*

Having established his premise, this man whom Mr. Nixon has appointed to one of the most powerful positions in his Administration, concluded:

> *The obstacles and hazards in the way of realizing a beneficially functioning single world economy are many. More effective multilateral governmental institutions must be developed and brought into operation. Some aspects of individual sovereignty will be given over to supra-national authority.*

These "supranational" authorities will divide the markets and parcel out monopolies to the megacorporations through a world licensing authority. The "supranational authority," a euphemism for World Government, is in the words of Roy Ash a necessity, because:

> *. . . in the final analysis, we are commanded by the fact that the economies of the major countries of the world will be interlocked. And since major economic matters in all countries are also important political matters in and between countries, the inevitable consequence of these propositions is that the broader and total destinies – economic, political and social – of all the world's nations are closely interlocked. We are clearly at the point where economic issues and their related effects can be considered only in terms of a total world destiny, not just separate national destinies, and certainly not just a separate go-it-alone destiny for the United States.*

In the past, the primary pretext for establishment of "supranational authority" has been that a World Government was necessary to keep East and West from incinerating each other in a futile H-bomb war. The pitch was wrapped in sticky rhetoric about "the brotherhood of man" and accompanied by harp music. Its appeal was thus limited to addled college professors, pixilated parsons, spoiled little girls whose daddies had sent them to college, and assorted effete snobs with both feet planted firmly in a fleecy cloud. The new pitch is totally pragmatic; geared to the businessman who considers himself a "realist" and who can rationalize almost anything as long as there is a promise of gold at the end of the rainbow. Now the appeal is to greed, a far more effective stimulant than the hoary piffle about lambs bedding down with lions.

The mass hoopla machines are already ringing the propaganda gongs to introduce their new theme. Typical is the following from Ernest Conine of the *Los Angeles Times*:

> *In long-range terms, the potential political payoff is even more intriguing. It seems obvious by now that if anything resembling world government ever develops, it will owe more to the self-interest of the global capitalists than to the ideals of the World Federalists.*

A Washington-based expert on the subject, Arthur Barber, has observed that "the international corporation is acting and planning in terms that are far in advance of the political concepts of the nation-state. As the Renaissance of the 15th century brought an end to feudalism, aristocracy and the dominant role of the church, the 20th century Renaissance is bringing an end to middle-class society and the nation-state."

And even "super-Liberal" columnist Sydney Harris, who has never had a kind word to say about any opponent of socialism, is now singing the praises of the monopoly capitalists:

> *It may just turn out to be the supreme irony of the late 20th Century that capitalism – which Marx saw as fomenting wars to gain new markets and profits – will become the instrument for the abolition of war. Not for any moral reason, but simply for economic good sense.*
>
> *These companies have found that new markets can be generated by economic aggressiveness with far greater effectiveness and less danger than by political or military aggressiveness. They have become, or are becoming, "suprapolitical" entities of an entirely new sort.*
>
> *War, on the nuclear scale with which it can now be fought, has become obsolescent, because its consequences can no longer be controlled, and also because there would be no conceivable "winners" left after a nuclear holocaust. The last thing the multinational corporation wants to do is to decimate its potential worldwide markets.*
>
> *It seems to me that if a true state of peace is ever arrived at – and not just the uneasy truces we have had every few years – not religion nor morality nor sentimentality will secure it. It will be secured, if at all, by the same considerations that made war profitable in the past – by economic considerations. If it was mainly the drive for profits that created national conflicts (and here I believe that Marx was right), then it will be the same drive for profits that overrides political and nationalistic factors that still strain for war.*

Harris presents the Establishment's new line with skill, concluding:

> *We tend to forget that capitalism, by its very nature, is as "internationalistic" as communism is, or pretends to be. In the past, capitalism used the politics of its own country to develop and expand; it was to its short-term interest to wrest markets from competing lands.*
>
> *Now, the new technology has given capitalism the means and the access to tremendous new markets without firing a shot or capturing an acre of land. Consider what Japan has been able to accomplish in the post-war period, though completely demilitarized and impotent in world politics. If she had won the war with the attack on Pearl Harbor, she could not possibly be as well off as she is now, as the "loser."*
>
> *Marx predicted the victory of international communism. What we may yet live to see is the victory of international capitalism . . . .*

You see, all we need to bring on the millennium is a great merger to support international capitalism with World Government! And it has already begun. Certainly the internationalization of American industry is awesome even now. According to *Business Week* of December 10, 1970: "These corporate links between national economies are enormously varied and flexible organizations. Some 3,400 American companies have built a stake in around 23,000 businesses abroad, including more than 8,000 producing affiliates . . . ." The value of American holdings in foreign countries is given as being in excess of $100 billion. But as Yves-Andre Istel of the powerful international banking firm of Kuhn, Loeb & Company testified before the Senate Subcommittee on Foreign Economic Policy: "The figures, of course, that I have mentioned on private foreign direct investment are probably very considerably understated, since they are book value figures. The 'true' value is probably at least twice as great."

Taxpayer guarantees Brezhnev's credit to insure big profits.

France's Jean-Jacques Servan-Schreiber put it this way in his now famous book, *The American Challenge*: "The overseas production of U.S. firms rates next in total magnitude only to the gross national products of the United States and the Soviet Union." Foreign subsidiaries of U.S. corporations last year produced goods and services worth over $100 billion. United States firms provide one-half the foreign capital invested in France, one-third of that in Germany, and almost three-quarters of the foreign investment in Britain. It has been estimated that earnings from these foreign operations by 1970 contributed between twenty and twenty-five percent of total U.S. corporate profits after taxes!

And *U.S. News & World Report* of October 27, 1969, informs us: "In recent years, the value of goods produced by U.S. affiliates overseas has been increasing at an annual rate of 25 percent while growth in American exports has averaged 11 percent."

This fantastic growth is the result of far more than the advance of technology. It has been greatly aided and abetted by the *Insiders* of financial politics centered around the Council on Foreign Relations, whose members have dominated every U.S. Administration since that of President Franklin D. Roosevelt.

The kickoff for this giant overseas expansion came with the institution of the Marshall Plan, named for General George C. Marshall, a member of the *Insiders'* C.F.R. The Marshall Plan was in conception and in instrumentation almost wholly a C.F.R. operation. Through a C.F.R. front, the Advertising Council, a committee was formed to "sell" the American taxpayer on the idea of rebuilding war-torn Europe. The committee contained such C.F.R. stalwarts as Henry Stimson (Wall Street lawyer, C.F.R. director, and Secretary of State and Secretary of War under F.D.R.), Dean Acheson (Secretary of State under Truman and one-time attorney for the Soviet Union), Winthrop Aldrich (of the Rockefellers' Chase National Bank), David Dubinsky (labor leader), Herbert Lehmann (of the international banking firm of Lehmann Brothers), and Phillip Reed (an executive with General Electric).

While the American taxpayers picked up the tab, favored *Insider* corporations sopped up the gravy. In *The Limits Of Power*, Professor Gabriel Kolko writes:

> *. . . the Americans made changes in the allocations* [of Marshall Plan funds] *in order to give advantages to specific American industries, frequently adding large items which no European country, with their urgent needs and austere restrictions, had requested.*

America provided billions for foreign aid and more billions for defense, in return for opening up Europe and other areas of the world for the creation of the multinational corporations owned by the *Insiders* of American finance capitalism. In *The Roots Of American Foreign Policy*, Professor Kolko notes:

> *Despite the rhetorical conservative business complaints about "give-aways," foreign aid essentially has been a means of subsidizing American interests while extending American power in the world economy. "I wish," JFK reminded them in 1963, "American businessmen who keep talking against the program would realize how significant it has been in assisting them to get into markets where they would have no entry and no experience and which has traditionally been European."*

What is true of foreign aid is doubly true of defense. It is ironic that both the Communists and *Insiders* of finance capitalism accuse each other of being imperialists. The truth is that both are imperialists. Readers of this magazine know that the *Insiders* of the West created and sustained the Communist imperialists of the East.* And among the reasons that they have sustained Communist imperialism is that it provides a justification for their own imperialist efforts in "protecting" the people of the "Free World" from Communism. Make no mistake, it is infinitely preferable to be a victim of the Western brand of imperialism. The point is, however, that the choice between *Insider* and Soviet imperialism is a false alternative.

It is also a fact that the imperialism of our *Insiders* of finance capitalism has been successful because they were able to use the American taxpayer as their sword and the U.S. Government for their shield. For instance, our government has allowed foreign nations to set up quotas and tariffs against American products – making it highly profitable for U.S. corporations to set up overseas operations rather than manufacture the goods here and sell them abroad. This favors the largest corporations since a company must have sizable amounts of surplus capital to be able to build or buy a foreign subsidiary. If it were not for quota and tariff discrimination against American products, all a company would need to sell in a foreign market is a sales representative. Surely this discrimination against goods manufactured in America would never have been allowed – in post-War Japan, for instance – unless the *Insiders* of international finance desired it.

Yet another little gift to the multinationals is the Overseas Private Investment Corporation. Called O.P.I.C., this agency provides financing and insurance at the taxpayers' expense for the establishment by *Insider* firms of production plants in foreign countries. The *Los Angeles Times* of January 17, 1972, informs us:

> *Congress created OPIC in December, 1969, at President Nixon's behest. The agency and a less powerful predecessor that it replaced have insured over $3.8 billion in U.S. investment abroad since 1965. That certainly helped fuel the multinational trend.*

Many multinationals operate in more than fifty countries and derive from twenty-five percent to more than fifty percent of their income from sales outside the United States. Included in this list are such giants as International Telephone & Telegraph, Standard Oil of New Jersey (Exxon), National Cash Register, Colgate-Palmolive, Charles Pfizer, General Motors, General Electric, Goodyear, Ford, and I.B.M. International Business Machines, for example, conducts business in 109 countries, backed by a

*See Medford Evans' "Bad Business" in *American Opinion* for January of 1973.

work force of nearly a quarter of a million employees. It operates seventeen plants run by wholly owned subsidiaries.

These key multinationals look upon themselves as "citizens of the world" who are above "petty nationalism." *Business Week* of December 19, 1970, quotes Robert Stevenson, Ford's executive vice president for international automotive operations, as follows:

> *"We don't consider ourselves basically an American company," says Ford's Stevenson. "We are a multinational company. And when we approach a government that doesn't like the U.S., we always say, 'Whom do you like? Britain? Germany? We carry a lot of flags. We export from every country.'"*

And, Ford's Mr. Stevenson continues: "It is our goal to be in every single country there is. Iron curtain countries, Russia, China. We at Ford Motor Co. look at a world map without any boundaries."

Ford already has factories in virtually every country in Europe. For example, Ford is Number Three in auto sales in Germany – behind Opel (a General Motors subsidiary!) and Volkswagen. Ford factories specialize in supplying components to other Ford assembly plants. For instance, they build Pinto engines in Britain and Germany for assembly in the United States and Canada. Ford also operates in the Pacific. Ford Asia and South Africa, with headquarters in Melbourne, is in charge of coordinating the basic Ford plants in Australia and South Africa with assembly operations in the Philippines, Singapore, New Zealand, and Thailand. Ford is even now negotiating to purchase a twenty-five percent interest in Toyo Kogota Company, the Japanese auto maker whose rotary-engine Mazda cars have been selling on our West Coast like the proverbial hotcakes. Ford also wants to build cars on its own for the Asian mass markets. Henry Ford II said recently, "In South Korea, Taiwan and Indonesia we see promising markets and an attractive supply of cheap labor." And Ford is licking his lips at the thought of all that even cheaper labor in Red China!

Not to be left behind, General Motors, which now derives over twenty percent of its income from its overseas operations, has bought a thirty-five percent interest in Isun Motors Ltd., a large Japanese truck maker. And Chrysler has purchased an initial fifteen percent interest in Japan's giant Mitsubishi Motors. The investment is scheduled to increase to thirty-five percent this year. Under the terms of the deal, Chrysler is marketing Mitsubishi's small passenger car, the Dodge Colt, in the United States. It is also making Mitsubishi autos in South African and Australian plants, and Mitsubishi hopes Chrysler will make available facilities in France and Britain also.

Meanwhile, the American auto makers are eager to get into Red China – and are throwing their weight around to make

Insider Roy Ash sees new "capitalist" World Government.

that possible. The Alfred P. Sloan Foundation, created by the former head of General Motors, took the lead in financing activities of the National Committee on U.S.-China Relations, the foremost Red China trade lobby in the United States. The Ford Foundation has also been a large financial supporter of the Committee, as has the Rockefeller Brothers Fund.

And even as U.S. manufacturers have gone multinational, so have the *Insiders'* giant U.S. banks. We learn from *U.S. News & World Report* of December 4, 1972, that:

American banks are bursting far beyond the borders of the U.S. in a dramatic drive for business around the globe. Their branches dot "The City" of London and old financial centers, while more are on the way for Moscow and still other new stops on the international money circuit. They are beating the bushes for loans and deposits where foreign bankers tend to let potential customers find them.

These branch banks are teaming up with U.S. and foreign partners in groups to tackle big, specialized financing deals.

Ranging well outside the commercial banking functions to which they are largely confined at home, they are venturing into fields from real estate to warehousing and mutual-fund operation. In the process, they are helping to speed the flow of capital and short-term credit everywhere.

Ten years ago, only a handful of the largest U.S. banks – mostly based in New York – had offices abroad. Today more than 100 banks all over America have about 575 foreign branches. Total assets of foreign branches reached almost 70 billion dollars on June 30, 1972, nearly 10 times the roughly 7.5 billion of mid-1965, according to a new study by the U.S. Federal Reserve Board.

The top ten banks in America have twenty-five percent of the assets of all asset banks. The major banks are the trust representatives for very large amounts of stock in the multinational corporations. The officers and directors of these banks are also officers and serve on the boards of directors of the multinationals.

The Big Daddy of the American multinational banks is the Rockefellers' Chase Manhattan, the nation's second-largest bank and by far the most politically potent. Control over Chase and Standard Oil gives the Rockefellers a one-two punch in international economics and world politics that is unrivaled. By 1971 the Rockefeller bank claimed assets of $23 billion, which is impressive enough, but the *New York Times* has pointed out that "a major portion of their [*Chase Manhattan's*] business carried on through affiliated banks overseas is not consolidated on the balance sheet." The Chase has offices in seventy-five foreign countries, but as *Time* magazine points out, "more important, it has a globe-encircling string of 50,000 correspondent banks around the world."

Fifty thousand correspondent banks around the world! Think about it for a minute. That's a lot of gnomes.

The sun never sets on the Chase Manhattan-Standard Oil empire. In fact, there isn't even any twilight. Chase's newest office is soon to be opened in beautiful downtown Moscow. Next year it will undoubtedly open a branch in Peking. David Rockefeller, who heads both the Chase Manhattan and the *Insiders'* Council on Foreign Relations, has been a leading exponent of opening up both Russia and China for commercial exploitation. Given the far-flung ramparts of the Rockefeller empire, it is hardly surprising that this family has for several decades been in the forefront of the crusade for World Government.

Being thrifty souls by nature, the Rockefeller family owns more than one bank. The other major Rockefeller banking operation is the First National City Bank. And according to *U.S. News & World Report*, "New York's First National City complex not only has tripled its foreign branches in a decade, but also has stakes in units as diverse as an air-cargo firm in Hong Kong and a warehousing concern in Panama." National City now has 273 foreign branches and 172 branches in the United States. During 1972, the First National City Bank earned a tidy $110 million from its overseas operations – roughly fifty-four percent of the company's operating net. And, like its friendly rivals across town at Chase Manhattan, the First National City Bank is preparing to open a Moscow branch.

The new baby giant of the international banks is the Bank of America, which pioneered branch banking in California – where the practice was legal long before it was permitted in New York. When California's population mushroomed after World War II, the B. of A.'s strategy of putting a bank on every corner soon made it the largest receptacle of deposits in the United States. And Bank of America has now extended its operations to seventy-five foreign countries. It concentrates its efforts in the Pacific and the Orient, but has recently combined with the French Rothschilds' Bank of Paris and the Low Countries for joint foreign ventures.

A number of American manufacturing corporations are also establishing subsidiary Swiss banks. The *Wall Street Journal* of March 28, 1972, reports:

> *Those fabled and mysterious Gnomes of Zurich have found some exotic sources of new recruits . . . . In the last few years, Dow Chemical Co. in Midland, Firestone Tire & Rubber Co. in Akron and several other American industrial concerns have started the diversification venture that stockholders might least expect – Swiss banks. Largely serving multinational companies like their owners, the new banks are enjoying a robust growth.*
>
> *The new competitors are growing, too. Bank Firestone Ltd. opened operations in a modern building here in April of last year. Assets soared from $1.8 million at the start to $25 million at the end of the year. In that truncated first year, the bank showed a profit of $540,000. It is wholly owned by the Akron rubber concern.*
>
> *While most of the new banks have one owner, the Bank for Investment & Credit Ltd., has 12. Started in its present form about a year ago, the bank had assets totaling about $20 million at the end of February* [1972]. *North American shareholders include Boeing Co., Continental Oil Co., Distillers Corp.-Seagrams Ltd., Cooper Industries Inc., Coca-Cola Co., Gray Tool Co., Capital National Bank of Houston, and Utilities & Industries Management Corp . . . .*

Everyone, it seems, wants his own personal gnome on the theory that gnome news is good news.

What does all of this mean? The *London Economist* discusses one of the major advantages of an American bank establishing a foreign subsidiary:

> *In the United States itself, of course, banks are prohibited by law from underwriting corporate securities. But the activity is not specifically proscribed abroad, where it is not unheard of for an underwriting to be done for an American corporation overseas by a foreign merchant bank in which an American bank has an interest. In the scale of values by which American banks are measured in this ever increasing internationalization, this accommodation could give the American bank a distinct advantage in going after the American corporation's business in the United States itself – or at least help to keep existing accounts from being proselytized by other internationally-oriented bank competitors.*

While American banks can serve as trustees for securities, they are prohibited by law from owning stocks, on the idea that a bank should not be playing the stock market with depositors' funds. In the United States, banks can only make loans, they cannot make investments except in bonds, treasury notes, and similar instruments. However, they can now buy stocks, real estate, natural resources, or anything else, through their foreign subsidiaries. Someday the Japanese, who are already becoming wary of foreign control, may wake up to find that Chase Manhattan, by purchasing stock through its myriad foreign satellite banks over a long period of time, has bought effective control of Nissan Motors, makers of Toyota.

Thus giant American banks are gaining control of competitors and other corporations. The New York State bank examiners can't check the books at your Zurich branch. As I said, gnome gnus is good gnus.

Meanwhile the multinational industrialists and bankers are deeply involved in the persistent international monetary turmoil. The *Wall Street Journal* of February 13, 1973, printed just hours before the ten percent devaluation, carried the following extremely revealing commentary:

> *Multinational corporations control such vast quantities of money that they can precipitate international monetary crises by moving only small portions of their funds from country to country, a government study concludes. The big companies and banks can outgun even the world's central banks in international currency dealings, the massive study by the U.S. Tariff Commission contends.*
>
> *. . . The 930-page study of the economic impact of multinational concerns on trade, investment and employment was made by the Tariff Commission at the request of the International Trade Subcommittee of the Senate Finance Committee. It's certain to add fuel to the growing debate in Congress on the effects of the multinationals, which have been under attack by organized labor as "exporters" of U.S. jobs and technology.*
>
> *The study estimates that some \$268 billion of short-term liquid assets were held at the end of 1971 by "private institutions on the international finance scene," and that the "lion's share" of this money was controlled by U.S.-based multinational companies and banks.*
>
> *The \$268 billion, the study reports, "was more than twice the total of all international reserves held by all central banks and international monetary institutions in the world at the same date." It adds: "These are the reserves with which the central banks fight to defend their exchange rates. The resources of the private sector outclass them."*
>
> *Due to the immensity of the multinationals' assets "it is clear that only a small fraction . . . needs to move in order for a genuine crisis to develop," the Tariff Commission concludes. This money "can focus with telling effect on a crisis-prone situation — some weak currency which repels funds and some strong one which attracts them." That's what has happened in the past two weeks as speculators dumped dollars and bought German marks and Japanese yen in hopes of profiting on future changes in their exchange values . . . .*

While the attention of the American people was focused on the Prisoners of War returning from Vietnam, the moguls of international finance were precipitating a raid on the pocketbook of every American citizen. Undoubtedly, most multinationals were, in joining the dollar speculation, only protecting themselves against the continuing monetary mismanagement of the U.S. Government. But it must be kept in mind that a few key *Insiders* can pick the time for a money crisis simply by transferring large deposits. It wasn't your Uncle Alex in Keokuk who flooded Germany with dollars. Somebody started the wheels rolling, and then everyone began jumping on the bandwagon for self-preservation.

After absorbing seven billion in hot dollars the Japanese and Germans simply slammed down the windows. As a result, Richard Nixon, who had at one time almost pulled his heart from his chest to emphasize in blood that the United States would absolutely never, never, never devalue the dollar . . . devalued the dollar for the second time in fourteen months. The news broadcasters admitted glumly that the "speculators" had won . . . once again. The image most Americans have of a currency speculator is one of some European Count Dracula in a tuxedo and top hat, wearing a monocle, and brandishing a cigarette in a long holder. But the "foreign currency speculators" are not foreign counts luxuriating at some remote castle or at elegant health spas. They more closely resemble (say) David Rockefeller, Henry Ford II, Thomas Watson, and other major contributors to the Committee to Re-Elect the President.

Insider Henry Ford II sees new profits in World Government.

Following the devaluation, the *Insiders* could buy back their seven billion dollars at a ten percent discount, amassing a tidy profit amounting to seven hundred million dollars. Oh, the game of manipulating international money can be so exhausting. But, making seven hundred million dollars is worth a little exertion.

With the straight face of an experienced used car salesman, Richard Nixon announced after the devaluation: "As far as the great majority of the American people is concerned it [*the devaluation*] does not affect their dollars." By contrast, Federal Reserve Chairman Arthur Burns admitted that the devaluation will cost the American public *three billion* dollars. You could probably double that and be safe.

And the frightening thing is that the objective of those who created the present international monetary chaos is the eventual creation of a One World currency. It is not without meaning that, in his speech on Business In 1990, Presidential Assistant Roy Ash prophesied that the International Monetary Fund (I.M.F.) "is going to be the source of all of the primary reserves of all the banking systems of the world." Nor is it without meaning that even after retiring as chairman of America's central bank, the Federal Reserve System, William McChesney Martin of the C.F.R. told a gathering of bankers:

> *In the world of today, a strong world central bank is becoming more and more essential to support orderly economic growth in a constructive international context.*

Insider Martin gave as a primary reason for the necessity of a world central bank the control of inflation. "Traditionally," he said, "central banks serve as a restraining conscience on governments which may be tempted to over-expand and to generate inflation. Such a conscience is needed on the international plane, too. I cannot emphasize this point too strongly because, in my judgment, this is a crucial contribution that central banks can make."

But trying to get the central banks to stop inflation is like hiring Jack the Ripper to stop throat slashing. Through their own rapid expansion of bank credit, the central banks have been a chief cause of the expansion of the money supply all over the world.

William Martin concedes that the development by the I.M.F. of Special Drawing Rights (S.D.R.s), or "paper gold," is a major step in the creation of a One World central bank. And Martin's successor as potentate of the Federal Reserve System, Arthur Burns of the C.F.R., now advocates an increased role for S.D.R.s – which he says "may ultimately become the major international reserve." Both Martin and Burns advocate and predict a decreasing role for gold in the future.

The problem for such *Insiders* is that a genuine gold standard would put an end to international money manipulations. Under a true gold standard it would not make any difference that the U.S. called its currency a *dollar* while the Japanese monetary unit is called the *yen*. If the dollar is backed by 1/35th of an ounce of gold, and the yen is backed by 1/75th of an ounce of gold, one can by simple arithmetic calculate the relationship between the two. Gold is *the* standard. A world central bank can create new S.D.R.s or "paper gold" with the stroke of a pen, robbing billions by inflation, but no monetary magician can conjure up the real thing out of thin air.

Gold then is the only real international money; creation of a fiat world currency is a confidence game. And the con game is underway. The Associated Press of January 26, 1973, carried a story from Brussels which reported:

> *The Common Market Executive Committee Thursday announced it has approved the plan for a European monetary fund, designed to become one day the central bank for all nine member nations.*
>
> *The fund will start operations April 1, provided it gets the expected approval of the member countries in the Council of Ministers . . . .*
>
> *The aim is to have a single currency by the end of the decade . . . .*

The result may be a gold-backed Eurodollar which will compete in the world markets against our fiat dollar . . . the gold backing of which is purest fiction. This might quickly lead to such chaos in the American economy that the American public would accede to – in fact, would probably demand – establishment of a world currency totally controlled by the *Insiders* of international finance.

David Rockefeller sees new profits in World Government.

One can be assured that our Establishment media will blame the money crisis on national sovereignty and the resultant variety of currencies. The propaganda onslaught is already underway. A typical example comes from Sylvia Porter, the widely syndicated "Liberal" economist, who has observed:

> *The gut issue of all gut issues underlying 1973's international currency crisis has also been at the heart of the previous upheavals of recent years – and not until this issue is faced by the leading trading nations can a lasting solution be reached. The issue is no less than:* NATIONAL SOVEREIGNTY.
>
> *Believe me, the industrial nations can figure out a better way to patch up currency relationships than through the brutal turmoil of wild speculation. There are hundreds of monetary experts who can put together an international monetary system which would be superior to what the world now has*

and which would curb the barbaric flow of billions of dollars from money capital to money capital in search of profits . . . .

Despite the enormity of the problems, I am sure we'll produce a new monetary system, because without one we would be back in an international jungle of trade barriers, shrinking commerce and threatened depression. In brief, I'm betting we'll design the network because we need it to make sure the stores and the doors are open, to make the planes fly and keep the freight ships sailing.

But the currency crisis of February 1973 is not the last one we'll see before that network is created.

No, other crises are even now being planned to promote further evolution. For, as *Insider* William McChesney Martin claims: "Further evolution along the path toward a world central bank will require nations to accept further limitations on their freedom of independent action, in their own and others' interest." The object is further to limit our freedom by surrendering control of our money to an international monetary system dominated by the same *Insiders* who have done so much to create this monetary muddle in the first place.

Now that the multinationals have skimmed the cream in the Western world, many of them are looking for new territories to conquer in the East. First the international conglomerates, beginning in about 1966, started to lobby for "trade" with the Communist countries. Following the "trade" overtures came moves by these same international conglomerates actually to establish plants in the Communist countries. Yugoslavia and Romania, the supposedly "independent" Soviet satellites, seem to be scheduled for development first, possibly to accustom Americans to the idea of American business operating behind the Iron and Bamboo Curtain. As the *Wall Street Journal* of March 22, 1972, announced:

President Nixon moved to encourage U.S. business to set up subsidiaries in Rumania and Yugoslavia. In another effort to expand East-West economic relations, Mr. Nixon extended Overseas Private Investment Corp. programs to the two Communist countries . . . .

Authority for Mr. Nixon to extend OPIC coverage to Yugoslavia and Rumania was contained in the foreign aid bill Congress passed last month. OPIC provides insurance against expropriation and other risks for new or increased American direct investment in "developing" nations, along with loan guarantees and small amounts of direct credit . . . .

The agreement between O.P.I.C. and Communist Yugoslavia was signed in Belgrade on January 18, 1973. Two weeks later the *Washington Post* reported:

President Tito and his wife received David Rockefeller, president of the Chase Manhattan Bank of New York, and spent some time in "prolonged, friendly conversation," Tanjug, the official Yugoslav news agency reported from the island of Brioni.

Of course, Yugoslavia is not new territory for the Rockefellers. Three years ago the International Investment Company, a combine of the Rockefeller and French Rothschilds' interests began building two iron-processing plants near Mostar and Titograd. Where the Rockefellers lead, Fords are sure to follow. The *Wall Street Journal* of September 29, 1970, announced that the Ford Motor Company had begun negotiating with the Yugoslavs to build tractors for the Communists.

After leaving Yugoslavia this January,

David Rockefeller of Chase Manhattan and the Council on Foreign Relations moved on to Poland. Merrill Lynch may be bullish on America, but David is bullish on Communism. According to the Associated Press: "David Rockefeller, chairman of the Chase Manhattan Bank, said here [*Warsaw*] yesterday that he had proposed a substantial credit to the Polish government by his bank." Rockefeller's visit followed by one month the visit of Mr. Nixon's trade emissary, Secretary of Commerce Maurice Stans. Cynics crack that Mr. Stans was really *Mr. Rockefeller's* trade emissary. Following conferences with Poland's Communist dictators, Stans pronounced:

> *. . . There are opportunities for the licensing of American technology and for establishing joint ventures. These joint ventures could relate to the development of natural resources in Poland or to manufacturing and marketing facilities.*

The key words here are "joint venture." Hippies think of a "joint venture" as smoking a marijuana cigarette, but in the business world the term is applied to a partnership. And the big "joint venture" partnerships will be established in that big Red apple of the Communist world, the Soviet Union. Because of the numerous problems in dealing with the Soviets, it may take several years before large numbers of these joint ventures are in actual operation, but the handwriting is on the Kremlin walls. The Rockefellers' Chase Manhattan and First National City Bank are not opening up offices in Moscow so that the muzhiks can salt away a few rubles; Soviet law requires that Russian citizens use only the official state bank. No, the Rockefellers are in Bolshevikville to promote the multinational joint venture. As French commentator Jean-Jacques Servan-Schreiber has noted: "Soviet Russia is the new American frontier, ready for massive development by United States enterprise and anxious to cooperate in this great endeavor."

The Rockefellers have been working this new "frontier" for several years. The *New York Times* of January 16, 1967, announced that the Rockefellers had merged their International Basic Economy Corporation with Cyrus Eaton Jr.'s Tower International to build factories in the Soviet Union and other Iron Curtain countries. David Rockefeller has conferred with Soviet officials at least three times on the opening of the Soviet Union to the *Insiders'* multinational corporations. Henry Kissinger, who was on the Rockefeller family payroll for over a decade, has also journeyed to the Kremlin to negotiate for his boss. The talks apparently paid off.*

The Russians want long-term credits to finance their joint ventures. But federal law says that before the American tax-

Henry Kissinger journeyed to Kremlin negotiating a payoff.

payers could be allowed the privilege of using our Export-Import Bank to finance the multinationals via the Soviets, past Russian debts must be settled. The U.S.S.R. has owed the United States $11.1 billion since the end of World War II. At normal six percent interest the debt is now over $52 billion. But, at the end of 1972, the United States agreed to settle

*For Henry too. *Business Week* for December 9, 1972, tells us that as fate would have it a German subsidiary of the Allen Group is one of two companies bidding to build five hundred gasoline stations in the Moscow area. Says *Business Week*: ". . . the story around Wall Street is that the man who heads the Allen Group has enviable connections in international political circles. His name: Walter B. Kissinger, Henry's brother."

that debt for $722 million, payable interest free by July 1, 2001. On a commercial basis this amounts to settling for 1.5 cents on the dollar. Now the Soviets can be vested with "most favored nation" tariff status and tap the riches of our Export-Import Bank. This is the multinationals' version of "free enterprise" – free for them as long as you pay the taxes.

Now, upon routine approval by a subservient Congress, vast new loans to the Soviets are guaranteed by the U.S. taxpayer and the international banking fraternity can take a fat share of the payoff without risk. The Russians have already announced that they may sell bonds in the United States, and *Business Week* of November 25, 1972, told of a pilgrimage to the Kremlin by the head of the New York Stock Exchange and Wall Street's top international bankers. According to *Business Week*:

> *The idea that capital should flow more freely across national borders recently led Big Board Chairman James J. Needham, before his trip to Moscow to stimulate U.S.-Soviet trade, to assemble an international capital committee of NYSE members. The group, headed by Bache's John Leslie, will figure out ways to attract more foreign business to New York and to position the exchange at the heart of any system of international markets. The committee includes some big guns indeed: Brown Bros. Harriman's Robert Roosa; Kuhn, Loeb's Nathaniel Samuel; Goldman, Sachs' Henry Fowler; Lehmann's George Ball; Lazard's Andre Meyer; Burnham's I.W. Burnham; and Morgan Stanley's Frank Petito.*

All of the above international banking organizations, working to place New York's *Insiders* at the head of the new World Government, are affiliated with the Establishment *Insiders'* Council on Foreign Relations. And, with the problem of credits having been settled, multinationals like General Motors, Cummins Engine, International Nickel, Ford, Engelhard Minerals & Chemicals, Borg-Warner, I.B.M., American Express, I. T. & T., du-Pont, Monsanto, Dow Chemical, Sperry

James Needham, of Stock Exchange, in Moscow for Insiders.

Rand, Union Carbide, Alcoa, and Westinghouse have already entered negotiations with the Soviets. What this means is indicated in a report by the *Wall Street Journal* of January 15, 1973, where we learn:

> *General Electric Co. said it signed a broadly based agreement with the Soviet Union calling for mutual exchange of technology, which could lead to licensing arrangements for manufacture of GE products in the Soviet Union. Thomas O. Paine, GE vice president and group executive of the power generation group, was quoted by United Press International as saying in Moscow that the agreement "could be worth tens and hundreds of millions of dollars."...*
>
> *The agreement establishes a formal policy between GE and the Soviet Union of general scientific and technical cooperation, and it specified power generation technology, including steam and gas turbine, and nuclear energy technology for power generation, as commanding immediate attention for mutual exchange and development.*

One problem is that Russia's needs (estimated by the president of the New York Stock Exchange to be $100 billion) and the greed of the *Insiders'* multinationals exceed even the resources of the American taxpayer. Since the Soviets produce little in the way of manufactured goods that is marketable, and they can only buy so much on credit, it is necessary for them to obtain the other things they need through barter. The Russians are thus eager to enter joint ventures with American-based corporations whereby the payment to the multinationals is taken in raw materials. As Soviet dictator Brezhnev told American trade negotiators: "We have vast treasures of energy

Arthur Burns admits the devaluation cost us $3 billion.

and raw materials that can last for generations to come, and we have decided at the highest level that we are going to make those available, that we are willing to share them with you."

Forbes magazine quotes Assistant Secretary of Commerce Harold Scott as noting that the Communists "identified products that the Soviets would like to buy and projects in which they are interested in joint ventures with Americans." The *Wall Street Journal* of March 16, 1971, says of these joint venture partnerships:

> *But some Western economists are intrigued less by size than by a new Soviet doctrine called "economic cooperation," most evident in the natural-resources projects. It reflects a new emphasis in Soviet policies, they say. Western firms would have substantial participation in Soviet enterprises; one financier even argues that it approximates equity. The marketing apparatus of Western firms might be used to sell Soviet goods and raw materials in the West on a broad basis. New instruments for international finance, with Soviet participation, might result.*

The materials the Soviets would like to provide in payment to their *Insider* partners include chromium, zinc, nickel, tin, timber, oil, and natural gas. Already Occidental Petroleum, in conjunction with the Bechtel Corporation, has reached an agreement on joint venture development of oil and natural gas deposits and on furnishing scientific and technical aid in producing chemicals and fertilizers, processing metals, in using solid wastes, and in the design and construction of hotels. Occidental will receive approximately ten thousand tons of nickel in exchange.

Another deal, now being negotiated by *Insider* Herbert Brownell, involves Tenneco, Texas Eastern Transmission, and Brown & Root. According to *U.S. News & World Report* of November 27, 1972, "Officials estimate that between 8 billion and 10 billion dollars would be involved." In return for developing Siberian oil and natural gas, these American multinationals would import a billion dollars a year of natural gas to the United States. In the meantime, an *Insider* campaign is being waged in the United States to prevent development of extensive *American* gas reserves on the Atlantic and Pacific shelves and in Alaska.

Of lesser import, but interesting because of the company president's close relations with Richard Nixon, is the fact that Pepsi Cola has been selected as the official soft drink for the dictatorship of the proletariat. Pepsi has announced that when the commissars pause to refresh, it will be exclusively with Pepsi. This has caused some sarcastic remarks in Washington about rewards being parcelled out to far-sighted businessmen who pumped that fifty million dollars into the Committee to Re-Elect the President. Certainly I. T. & T. had a huge deal cooking with the Soviets, though it has now been temporarily put in abeyance following the scandals that preceded the Republican National Convention.

The multinationals are also coming under increasing fire for their alleged adverse impact on the American economy. There can be no denying that the United States faces a trade crisis. The American position in world trade has been deteriorating through the 1950s and 1960s. The 1971 trade deficit, the first since 1888, was two billion dollars. In 1972, it more than tripled. Imports were up a staggering twenty-two percent in 1972, while exports increased by only thirteen percent. As a result of the last two trade imbalances, our balance of payments deficits, already chronic, ballooned to forty million dollars for 1971 and 1972. Is it any wonder that the dollar has become more unpopular in Europe than a tarantula at a sewing circle?

A corollary to the decaying monetary and trade situation is the American job problem. There are myriad claims and counter-claims about the impact of the multinationals on American jobs. There are so many of these cosmo-corporations that examples can be cited to prove almost anything. But the "runaway corporation" is of great concern to labor leaders, and quite naturally to those who lose their jobs as U.S. plants are closed and relocated overseas. Of course, one reason why businesses flee overseas is to escape labor union bosses who have been given monopoly powers by law. Nonetheless, economist Nat Goldfinger of the A.F.L.-C.I.O. claims:

> *The extent to which the overseas investments of U.S. corporations are responsible for our trade deficit is understated in most accounts. In 1968, for instance, the U.S. Commerce Department issued figures showing that only about 14 percent of U.S. imports came from foreign subsidiaries of American multinationals. This 14 percent figure, however, does not include imports from joint ventures, from licensees or from foreign companies of which the American company is a significant, though not dominant, part. For example: The Dodge Colt, marketed by Chrysler in the United States, is manufactured by Mitsubishi Motors Corporation in Japan – 15 percent of whose shares are owned by Chrysler . . . .*

Goldfinger maintains that since 1966 there has been a net loss of 400,000 jobs in the United States due to the growth of the *Insiders'* multinational corporations. And certainly American technology, which took many years and the expenditure of untold dollars to develop (much of it subsidized by the U.S. taxpayer) has been transferred wholesale to foreign nations, including our avowed enemies.

What could, or should, be done about the *Insiders'* multinational corporations? This is a very sophisticated subject vulnerable to much demagoguery. Strict libertarians may see these giant *Insider* operations as representing the victory of capitalism over petty bureaucrats and socialist politicians. Many statist "Liberals" see the multinationals in the light of traditional Marxist class warfare and consider them intrinsically evil. The more sophisticated of both "Liberals" and Conservatives view them as devices to insure the establishment of World Government, although they disagree on whether this is desirable.

In many ways the multinationals already form a sort of World Government. Samuel Pisar, a Paris-based international lawyer for multinational corporations, states confidently: "If political power is unable to lead, it will have to follow economic power in the creation of a supranational system of rules." The forecast is a New World Order run out of corporate offices. After all, as Mr. Pisar admits, "multinational firms have detached themselves from their American moorings and have taken off on the high seas. Now they are stateless . . . . The fact is they have become impatient with nationalistic constraints."

The response of the regulation-oriented bureaucrats, politicians, and labor leaders is that the new World Corporation requires a World Government to serve as a regulatory body. And, the *Insiders* are certainly not opposed to a World Government which can be used formally to insure their monopolies. Meanwhile, the appeal by the *Insiders* to businessmen is being made on the ground that a World Government will protect overseas business from the arbitrary tyrannies of local demagogues.

It should be kept in mind that not all multinational corporations are run by *Insiders.* It should also be kept in mind that there is nothing inherently wrong with an American widget manufacturer setting up a company in Ruritania to sell widgets to the eager Ruritanians. But, Widgets Incorporated of Ruritania is not entitled to subsidies by the American taxpayer. Much of the stimulus for the multinationals is artificial. If the Ruritanians did not have barriers preventing the importing of widgets, it might be more profitable and safer for Widgets Incorporated to export its American-made product rather than build a foreign factory. Remember that foreign countries have been given low tariff or tariff-free access to American markets without reciprocation to *encourage* our manufacturers to set up foreign subsidiaries. These barriers should be taken down before they are used to force similar barriers here and trigger a trade war.

Many politicians are already proposing new tariffs. And, typically, Richard Nixon is on both sides of the issue. He journeys to an A.F.L.-C.I.O. convention one week to tell labor moguls that he favors the Burke-Hartke Bill to erect tariff barriers, and the next week sends his assistant, Peter Flanigan (formerly with the international banking firm of Dillon-Read), to testify before the Senate Finance Committee that the activities of the multinational corporations "are not the cause of American trading problems." The *real* Richard Nixon keeps standing up and sitting down.

Is there a real Richard Nixon? Yes, he is the one who works with David Rockefeller and the *Insiders.*

But Henry Kissinger tells us Mr. Nixon is a student of the German philosopher Hegel, upon whose theories Karl Marx developed his concepts of dialectics. Dialectics boils down to "two steps forward, one step backward." Mr. Nixon might indeed strike a temporary pose in opposition to the multinationals and permit the trade wars to begin, knowing that out of the ashes of the ensuing economic chaos the phoenix of the World Authority would inevitably arise.

So what do we do? The way to deal with the *Insiders'* use of multinational corporations in a grab for World Government is to put our own economy in order, quit subsidizing the multinationals, and stop the backing by the *Insider* firms and their C.F.R. operatives in our government of America's avowed Communist enemies. We must begin by exposing the *Insiders'* game plan for World Government. And we must do it now! ■ ■

CRACKER BARREL

■ A man of words and not of deeds is like a garden full of weeds.

■ The people who have found prosperity just around the corner seem to have known which corner to turn.

■ It has been said, but not often enough, that a good listener is not only popular everywhere, but after a while he knows something.