

AMERICA, 1970

Why The Score Is So High

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■ AMERICA is now nearing the halfway mark of the first Nixon Administration and the nation is more divided than ever. We are still engulfed in the seemingly endless, winless war in Southeast Asia. Government spending, taxes, the National Debt, campus disturbances, crime, and Welfare are at all-time highs while morality and the stock market are trying for new lows. During the past twelve months the Administration has but intensified the problems Mr. Nixon promised during the campaign that he would solve. Because of this, an angry frustration stalks our land as more and more Americans become aware that the most severe developments predicted over the past decade by Conservatives are, one by one, becoming ugly reality.

Among the nation's most persistent and far-reaching problems is escalating inflation. The Department of Commerce admitted to an increase in the cost of living of 6.1 percent during 1969. Most private economists maintain that even this figure is much too low, noting that

the federal criteria for measurement are heavily weighted toward standards in rural areas where prices are more stable. Most Americans now live in urban centers where prices are skyrocketing. The best estimates of the *actual* rise in the cost of living during 1969 are all in the neighborhood of ten percent.

The Nixon Administration continues to assure the American people that inflation is being ended. But costs are rising as fast in 1970 as they did last year. What has happened is that the Administration has slowed the economy but *not* inflation. Production is down, unemployment is up, credit is tight — but prices are going up like there is no tomorrow. As economist John Kamin observes:

Government started inflation through deficit financing and removal of all currency backing. Not one in one thousand knows what's happening. The talk about interest, labor, capital spending, housing starts, etc., is smoke screen, the trappings of inflation. The heart of the matter is deterioration of the currency unit.

Taxes were raised, so President Johnson's alchemists told us, to stem inflation.* But this was then used to justify an increase in government spending, which

*The word was used by the President in its ordinary but incorrect meaning. Inflation is not a rise in prices but an increase in the money supply — something which can now be done only by the government and the banking system. Price rises no more cause inflation than wet streets cause rain.

further stimulated the increase of wages and prices. The scheme would have worked only if a rise in taxes had been accompanied by a balanced or surplus Budget. Although the accompaniment of increased spending and the surtax as a cure for inflation was akin to recommending gin to cure alcoholism, the Nixon Administration broke its campaign "promise" and extended the surtax.

During his first year in office, Mr. Nixon did slow the rate at which new money was created by the banking system — tightening credit. Nevertheless, the wage-price spiral continued unabated for two major reasons. First, it takes time after new money is injected into the economy for it to bid up prices, and thus Mr. Nixon was blamed for many of the consequences of L.B.J.'s profligacy. Second, while the private sector has been starving for capital during the last two years due to tight Federal Reserve policies, the government has continued to spend tax money like a mob of inebriate gobs on a binge. Since much of this spending was for Welfare or military purposes, it created no offsetting increase in capital assets (such as roads, dams, airports) but increased the pressure on the price of consumer goods without adding to the goods available in the public marketplace. Prices for the goods on the market thus went up.

Then, as tight money began to cool the economy, Mr. Nixon did exactly the wrong thing. He knew that any attempt to combat inflation without large cuts in government spending (cuts which he was unwilling to make) was bound to lead to recession — in this case a necessary and healthy cooling following an inflationary fever. But, we are told, the President has an absolute phobia about recessions since he blames one for costing him the 1960 election. He has now decided to re-inflate, and America is thus trapped in that worst of all lunacies, an "inflationary recession." The cost of living is up, yet money is tight and unemployment is increasing. So, as *U.S.*

News & World Report puts it: "A major switch in Administration policy is taking hold. Inflation is now calculated as less of a calamity than recession."

So we have come full circle from the beginning of the Johnson inflation, through a half-hearted attempt at deflation, back to Johnsonian stimulation and a violent attack on the value of the dollar. Nervous economists have been heard whistling "Brazil" under their breath as they peer at cost-of-living statistics. Yet, the President clearly intends to try to further "stimulate" the economy through increased government spending.

Mr. Johnson's 1967 Budget was \$158.6 billion — a Budget figure which candidate Nixon said was \$20 billion too high. The first Nixon Budget is going to wind up at around \$200 billion, and his second somewhere near \$210 billion — a mere \$72 billion more than Presidential-aspirant Richard Nixon thought L.B.J. should have spent. Mr. Nixon's second Budget was projected at \$202 billion, but that was before a series of inflationary stimulants was added. *Republican Battle Line* reports in its April issue:

... in the last five weeks the President has thrown caution to the winds. He signed legislation increasing GI benefits by 34.6% for a total cost of \$107 million this year and \$186 million next, when he originally said that only a 13% increase was needed. He relaxed previous controls placed on Federally financed local construction, thus pumping another \$1.5 billion into the economy. Within days he was calling for a more than doubled appropriation for the National Arts and Humanities Endowment, from last year's \$20 million to a new high of \$40 million.

U.S. News & World Report comments on the impact of inflationary raises granted federal bureaucrats:

The 6 per cent increase voted last week by Congress is the second in less than six months for about 5.3 million Government employees. This boost is retroactive to Dec. 27, 1969.

Last July 1, most federal workers got a 9.1 per cent wage hike, while postal workers' pay went up 4.1 per cent. Average pay for federal white-collar workers has now gone up about 74 per cent since 1961. And a third of that rise has occurred since last July.

Postal workers' pay has gone up 52 per cent since 1961. However, postal workers will get another 8 per cent increase if current efforts to reform the postal system are successful.

Many federal employees now are getting more money for the work they do than their counterparts in private industry.... The latest raise will cost the Federal Government an additional 2.5 billion dollars this calendar year alone....

In addition, increases in social security will amount to an annual rate of \$5.1 billion, and the President is seeking another \$1.5 billion over two years to spur school integration. Mr. Nixon has even doubled the amount of money spent by L.B.J. for the White House and its staff to a figure of \$70 million per year. With all of this added spending, any hope of ending the surtax goes out the window.

How will all of this be financed? Obviously by an inflationary deficit. The Administration is already admitting that there will be such a deficit in the new Budget, despite the fact that only a few months ago Mr. Nixon was hailing a projected \$1.3 billion surplus and extolling it as "essential both to stem persistent inflationary pressures and to relieve hard-pressed financial markets." Now the tune has changed. As *Republican Battle Line* notes:

*The President has indeed abandoned his fight against inflation as evidenced by his new willingness to encourage deficit spending. Even his economic advisors, such as Herbert Stein, are now publicly willing to accept an unbalanced budget. Nowhere is there any indication that the Nixon Administration has the guts to impose the real remedy — a cut in Federal spending.****

The truth is that President Nixon's first budget is now not only out of balance, he faces a deficit of perhaps as much as \$7 billion even if there is no new spending authorized over last year. And this occurs at a time when the President forced through the House a massive new welfare bill with a projected first year cost of nearly \$4.5 billion and an eventual possible cost of as much as \$15 billion annually.

Adding gasoline to the inflationary fires is the ever-accelerating cost of paying interest on the National Debt, which has increased from \$9 billion in 1961 to \$18 billion in 1970. While the Debt was rising twenty-four percent, the cost of carrying it has risen one hundred percent. This year the Treasury will have to refinance many maturing four-percent bonds at eight percent, and some economists are predicting that interest on the National Debt, already the third-largest in the federal Budget, will within a few years become the largest.

Congressman George Mahon has estimated that to finance the phony "balanced" Budgets of 1969, 1970, 1971, will require some \$20 billion in borrowing. Associated Press reported on May twenty-third that the Nixon Administration will soon ask to have the legal ceiling of the National Debt raised from \$377 billion to \$393 billion. Pierre Rinfret, a disenchanted former Nixon economic advisor, predicts that the 1971 Budget could wind

up as much as \$20 billion in the red. Debt, where is thy sting?
Check the grocery store.

And, since the Administration is intent on expanding "social spending," the situation can only go from worse to worse. *Indicator Digest* forecasts that the government will "run deficits and increase the money supply, at rates that would seem fantastic today — all accompanied by assurances that it's just temporary emergency measures." The *Digest* wryly adds: "If the world is now on a dollar standard, as our officials maintain, then unhappily the dollar is now on a pure *hot-air* standard. Thus there's no limit to inflation, except the conscience of the politicians."

Quite naturally, the skies are becoming ever more crowded with trial balloons on wage and price controls. Some of these emanate from "Liberal" Democrats like John Kenneth Galbraith. Now even Senator Barry Goldwater has been persuaded to say they may soon be "necessary." And Dr. Arthur Burns, Chairman of the Federal Reserve Board, has publicly recommended an "income policy" which the Associated Press describes as meaning "anything from open wage-price controls to mild but formal government efforts to keep labor settlements and price increases within bounds."

Of course, when the controls come

*The President's so-called Tax Reform Bill proved to be a hoax as far as providing tax relief since as many loopholes were opened as were shut. After much hoopla about cracking down on the tax-free foundations, which are the primary piggy banks (along with the federal government) for the financing of our home-grown revolution, the issue was gradually shuffled off to oblivion without a murmur from the national Press. The "crackdown" was first reduced to a token tax which later evaporated somewhere in the Senate Finance Committee. Instead, the foundations put together a Commission on Foundations and Private Philanthropy, at the instigation of John D. Rockefeller III, and the Commission (surprise!) recommended additional tax incentives to give foundations new sources of funds so that they could avoid "the charitable crisis of the 1970s."

they will be applied with "deep regret," and only for the "duration of the emergency" — as when F.D.R. called in the gold in 1934. That "emergency" has, thus far, lasted thirty-six years.

What is happening is that increased government spending requires more and more tax money. And, the increased standard of living of federal, state, and local governments must be financed by a proportionate decrease in the standards of living of wage earners. According to United Press International:

The federal government will spend an average of \$975 for every man, woman and child in the country during fiscal 1971 if President Nixon's budget is passed without major changes....

The outlay per person was estimated at about \$964 during the current fiscal year, \$912 in fiscal 1969, and \$878 in fiscal 1968.

A tax of \$975 per person amounts to \$3,900 for a typical family of four. The average taxpayer this year worked from January first to May ninth with every penny of earnings going to pay taxes — an increase of thirteen-days labor for the government over last year. If one counts only working days, Mr. Taxpayer works well into June to finance the bureaucrats.* *U.S. News & World Report* says of such burgeoning taxation:

Nothing to equal this has ever been seen before in the United States. Even at the peak of World War II, taxes never took more than 27 1/2 cents per \$1 of national income. Today it costs nearly 200 billion dollars a year to operate the Federal Government and about 100 billion to run the State and local governments. That's almost a third of a trillion dollars annually. And the cost is growing year after year....

And this is not a full measure of the impact that taxes have on the family budget. Plenty of taxes levied on business are passed on to the consumer in the form of higher prices: excises on freight and fuels, property and income taxes paid by landlords, and income taxes imposed on just about every profitable corporation. There is simply no way to gauge the effect on the average householder of these "hidden" imposts.

Shortly before his recent death, Congressman James Utt disclosed figures which showed that federal, state, and local governments were borrowing so much of what was left over after taxes (as savings) that the private sector has been decapitalized by about \$20 billion a year during the last two years. The abolition of private capital is, of course, the key plank in the *Communist Manifesto*.

It is not surprising that the stock market has staggered like a drunken bear under all of this fiscal sabotage. As this is written, the Dow Jones Averages have plummeted over three hundred points since December 1968. This manipulated crash has been the worst since 1929.

Indicator Digest reports that the total market is off *forty-eight percent* — much more than the thirty stocks which comprise the Dow Jones Averages. But people own stocks, not averages, and many stocks are off as much as seventy-five percent. Every time the market drops a hundred points, \$85 billion in liquid assets evaporate. Thus the current tailspin has destroyed a quarter of a trillion dollars of liquidity. Although the Federal Reserve has created new money and lowered the margin requirements to try to prop up the stock market and spur the economy, the market has continued to extinguish assets faster than the government can create new money.

The economic indicators are all negative. As United Press noted on May

fifteenth: "... the government reported the deepest economic slump since the 1960 recession and the worst three-month period of inflation since the Korean War." Preliminary returns for the first quarter indicated that profits were off nearly ten percent. If inflation is figured in (as it must be to get an accurate picture), profits were off over fifteen percent. Profits from the auto industry, the bellwether of the economy, slumped 38.5 percent. Americans are buying less goods, production has been down seriously for two quarters, and



Mr. Nixon continues to inflate the dollar. manufacturing plants have an idle capacity of twenty percent. Adding to this nightmare are the highest interest rates in a century and the highest unemployment rate in nearly five years. When one piles inflation and the seemingly permanent war in Asia on top of all this, it is no wonder the Dow Jones has the miseries.

Despite domestic economic problems, the international monetary crisis appears to have eased. But, unfortunately, the appearance is deceiving. The price of gold has receded as some speculators took

profits while others on large margins were sold out. Talk of devaluations, of runs on gold, and of monetary crises have evaporated from the pages of the pabulum media. Yet none of the problems which precipitated the panic of two years ago have been solved. A sizable deficit is in the works for 1970 and inflation is thus still a major problem at home and is continuing to price American products out of world markets. The balance-of-payments deficit was \$7.7 billion in 1968 and \$7.2 billion in 1969. Even these rates are artificially low as for the past two years American banks and large corporations have during late December shifted funds back to headquarters in the United States to ease the appearance of the imbalance.

The enormity of the Balance of Payments deficits is also concealed by the inflow of Euro-dollars (American dollars which immigrated to Europe as past balance of payments deficits) to take advantage of high interest rates in the United States. There are approximately \$40 billion of these Euro-dol-

lars, and each one represents a potential claim against our \$11 billion in gold reserves. By the end of last year, \$14.5 billion were loaned to American banks. According to Federal Reserve Governor Andrew Brimmer: "Just a handful of American banks — 14 to be exact — account for 95 percent of the Euro-dollar business."

You don't have to be a cat to realize this whole business smells like a rodent. The *Los Angeles Times* of May 12, 1970, revealed that European central bank officials "see the Eurodollar as an uncontrolled, and some believe uncontrollable, source of 'hot money' threatening the very foundations of the international monetary system." Get the picture?

The high interest rates in America serve as a bribe to Europeans to loan Euro-dollars to American banks rather than turning them in for gold. High interest rates are stifling the American economy; but, if interest rates are lowered, another run on gold may be triggered. Thus the money managers in the Treasury are caught between a gold-rush



Middle-class American workers demonstrate patriotism and anti-Communism on Wall Street.



Student revolutionaries carrying Communist Vietcong banners publicly burn an American flag.

rock and a recessionary hard place. While the Euro-dollars flowing back into America have depressed the price of gold and temporarily strengthened the dollar, they hang like the Sword of Damocles over international monetary stability. On March 11, 1970, the *Wall Street Journal*, which has tended to pooh-pooh the international monetary crisis, reported: "A time bomb is ticking under the international monetary structure. It involves the increasing demand for gold . . ."

Naming the time of the planned blow-up is impossible from the outside. Although the situation may get out of control, it is now evident that despite a bevy of financial touts making predictions based on "inside information" from the Gnome of Zurich, the Troll of Basle, the Elf of Indianapolis, the Leprechaun of Louisville, or the Dwarf of Thousand Oaks, the international financial manipulators who control the various central banks have worked in collusion to postpone massive devaluations. These devaluations would, no doubt, have already occurred if each country's money mana-

gers had been working for the interest of their own countries instead of with their counterparts in other nations. The *Insiders* have obviously rigged the game.

Doubtless hundreds of millions in profits have been made by feeding gold and silver to speculators, who bought in anticipation of currency devaluations, and then pulling the rug out from under them. It is now obvious that South Africa, promoted as the champion of hard money and defender of the faith against paper-money infidels, is also in on the game. Otherwise it would have raised money by selling gold bonds instead of dumping its gold reserves and thereby depressing the price of gold. Do you sell something for a dollar this year if you can expect to sell it for three dollars next year?

Very little is said about the fact that the Rothschilds control large segments of South Africa's resources and the London metals market where most of the gold is sold. It is a situation that offers vast opportunities for price manipulation.

America's gold reserves actually in-

creased slightly last year, thanks largely to a \$500 million purchase by the Treasury from Germany. It is interesting that the U.S. Treasury, which has for years been claiming that gold is a barbarous relic of the dark past would "waste" the taxpayers' money buying that wicked metal. Particularly since the U.S. Treasury is still run by those who got us into this mess. London-based analyst Harry Schultz writes: "... Sec. Kennedy has never been in charge. Treasury is still a JFK-LBJ machine." Canadian analyst C.V. Myers puts it this way: "Sec. Kennedy has been kicked upstairs. The Treasury has been taken over by Volcker, a hangover from Fowler-LBJ days, obviously a part of the permanent power behind the government." This may help to explain why the "New Leadership" of the Nixon Administration has followed the monetary and fiscal policies of its predecessors.

The May, 1970, issue of *Nation's Business*, strictly an Establishment publication, warns businessmen:

Suddenly, a few months ago, everyone began to say that the danger of another gold crisis was over, that the U.S. dollar had won its fight against the speculators, and that the world monetary system was entering a long period of stability.

Don't count on it. Although the authorities are nearly unanimous in saying this publicly, a number of experts are privately apprehensive. A few even feel the dollar's sternest tests lie just ahead....

The truth is that things have grown much worse.

... Most other Administration men have been displaying a confidence that some experts find hard to justify. The truth about a nation's money can easily be blurred for a while; most people cannot possibly get a clear picture of it.

A large part of the smog is coming from the new Special Drawing Rights, or "paper gold," set up by the International Monetary Fund designed by Communist agent Harry Dexter White. If you think "paper gold" will solve international monetary problems, consider whether you might be interested in investing in paper diamonds to protect your savings.

Meanwhile, inflation promotes increased radicalism on the labor scene as the nation's workers strive to keep up with, and get ahead of, the increasing cost of living. According to *U.S. News & World Report* the "inflation tax" has over the past two years embezzled purchasing power from American workers at a rate faster than their growth in pay. Now the unions are retaliating with a vengeance as average pay raises negotiated during the first quarter of 1970 are at an all-time high of 22.7 cents an hour. Even larger raises have been contracted for over the next three years. The government will inflate enough for corporations to meet these pay increases or there will be massive unemployment.

All of this economic turmoil, coupled with government spending of an ever more radical nature, portends an enormous expansion of federal control. The veteran Washington correspondent Walter Trohan comments:

Conservatives should be realistic enough to recognize this country is going deeper into socialism and will see expansion of federal power, whether Republicans or Democrats are in power.

Conservatives should also be realistic enough to recognize that Karl Marx made no distinction whatever between Communism and socialism. To him they were the same thing. His fight was not against any particular kind of government; his fight was against private ownership and private enterprise. The U.S.S.R. is, after all, a "Socialist" State.

America is becoming increasingly socialist (Communist) not only through taxation, which starves the private sector for capital, but through the increasing employment of workers by the government. According to *U.S. News & World Report* for April 27, 1970:

Today nearly 1 in every 6 civilian employees works for an agency of government, compared with 1 of 10 two decades ago. Of all jobs created since 1960, 35 per cent have been in government. . . . The number of people holding the upper-level jobs has jumped from about a quarter of the total eight years ago to 32.1 per cent. And their pay now goes as high as \$35,000.

As one top political analyst noted with sarcasm:

The government employees, plus the Welfare recipients, plus those who receive grants-in-aid and other subsidies, plus the tax-exempt foundations, plus the loophole users who find ways of avoiding the payment of taxes; add all these up and then compute the burden of so much on the pocketbooks of so few!

In this new kind of neo-socialistic society, where so few workers and producers are called upon to support so many drones and incompetents, politicians and planners, beggars and bureaucrats, student rebels and taxpayer-financed do-gooders; in such a society, it becomes obvious that the old Republican form of government given us by the writers of the United States Constitution will not suffice. For the kind of new society now being forced upon us, we need new forms of government. No longer can division of

power be tolerated. All power must be concentrated in one great government. State, County, local governments must cease to be governments as such, and must become mere administrative branches of the One Big Government.

It is obvious that socialist government increasingly controls us from the cradle to the crematorium. The most important One Big Government agency of the Welfare bureaucreeps is now the Department of Health, Education and Welfare. In a television interview with David Frost on May 5, 1970, Secretary Robert Finch, head of H.E.W.'s planners and banners, predicted that his Department would soon be the government's biggest agency. Finch warbled:

But, for the first time this year, we are spending more money at home in the federal budget than we are abroad. And my department is up to \$60 billion . . . that's from about \$50 billion in the last year and a half. And very shortly we will pass the Department of Defense as the largest department in the government.

The Founding Fathers created our government to protect the rights of the people, not to redistribute wealth according to the dictates of One Big Government. But that part of our heritage is under attack today, as the collectivists acquire more and more control over the lives and property of the people. By assuming responsibility for the health, welfare, and education of every man, woman, and child, our radical politicians encourage the populace to look to One Big Government to solve all their problems. When the promises cannot be kept, the people are expected to take matters into their own hands. As the brilliant French political philosopher Frederic Bastiat wrote in 1848:

When the people are encouraged to turn to government to settle all of their problems for them, the basis for all revolutions is thereby established. For then the people expect the government to provide them with all of the material things they want. And when these things are not forthcoming, they resort to violence to get them. And why not — since the government itself has told them that these responsibilities belong to government rather than to them? I am convinced that a revolution would not be possible if the only relationship between government and the people was to guarantee them their liberty and security.

But, unless it is seeking to promote revolution, the Nixon Administration is ignoring such dangers. As *Republican Battle Line* remarks:

If it were not so tragic it would seem humorous — a Republican Administration tossing away billions of tax dollars for socialistic schemes that make the New Deal look like a penny ante game . . .

The President is even now in the midst of overhauling the Welfare system so as to triple the number receiving handouts. Yet, *U.S. News & World Report* noted in its issue of May 12, 1969, that "the country already is spending enough on welfare programs to provide every 'poor family' with an income of between \$8,000 and \$9,000 a year." (Of course, the bureaucrats are getting a healthy cut of that.) Economist Henry Hazlitt says of this enormous amount of money already being spent on Welfare:

. . . In the present fiscal year the federal government alone is spending on all types of social welfare, including education, a total of \$83

billion. If we add to this some \$60 billion being spent by the states and localities on social welfare, we get a colossal total of \$143 billion a year . . .

Representative Edith Green has described the socialist Welfare programs already available to an indigent woman with eight children:

. . . if this mother of eight children participated in the concentrated employment program, and if she took advantage of all of the programs that the federal government has designed for the poor and the disadvantaged, she could have an annual income of \$21,093. Nobody in that family would need to work for one single day.

Yet, instead of getting the federal government out of the Welfare business, the Nixon team is getting it in deeper with a Family Assistance Program which is, in fact, a guaranteed annual income. This is a scheme which has been the very core of socialist objectives for decades. No such program could have passed Congress in a Democrat Administration because the Republican Party would have fought it tusk and trunk. Now that the program is officially endorsed by both Parties, they will each year haggle over how much bigger the guaranteed annual income should be. Economist Hazlitt gives us an idea of what this means:

Of course, such a universal guaranteed handout would be fantastically expensive. If the government paid such a guarantee of, say, \$3,720 (the present officially estimated "poverty level") to a family of four, or an average of \$930 to every person, this would come to a total of about \$186 billion a year. That any effort to pay such a sum would lead to crushing taxation,

wild inflation, wholesale destruction of incentives and economic chaos is unlikely to deter those social reformers who have the courage of their logic . . .

It is because it has accepted the Socialistic guaranteed income principle that the Nixon welfare program is certain to be expanded every election year.

This Nixon plan has the backing of the A.F.L.-C.I.O. That was to be expected. But, according to the *Los Angeles Times*:

In the business community the only national group lobbying against the President's family assistance program is the U.S. Chamber of Commerce . . . The National Association of Manufacturers has sent letters to all House members urging them to vote for the President's bill . . .

With support from such sources the radical momentum in America is reaching dizzying speeds. The House has passed the Nixon Welfare bill. And, as I write, it is under consideration in the Senate.

Obviously traditional American values are under attack. But, for a nation targeted for control by the International Communist Conspiracy, that is hardly unexpected. The growth in crime is a symptom of this subversion. Since the socialist philosophy maintains that an individual is not personally responsible for his problems, an increase in crime has historically accompanied expanding collectivism. Almost 5 million serious crimes were reported last year — an eleven percent increase over 1968. According to F.B.I. Director J. Edgar Hoover, crime has risen eleven times as fast as population in the past eight years, and *U.S. News & World Report* notes that "from all indications, the crime epidemic is hitting new highs so far in 1970." Our nation's policemen are a growing target

for attack. According to F.B.I. figures, police officers killed by criminals rose from fifty-five in 1963 to seventy-three in 1969, while assaults on police officers rose from 16,793 in 1963 to 33,604 in 1968.

Just as socialism begets crime, it also undermines morality. It is impossible to represent the disintegration of morality in America as a percentage, though one has but to glance through the "entertainment" section of any metropolitan newspaper to realize that the incredible of yesterday has become the commonplace of today.

There are, however, some indicative statistics. In 1968, there were 582,000 divorces. Except for the two years following World War II, this was the most ever, both in number and percentage. Liquor sales were up to \$7.2 billion in 1969, over double sales in 1952. An H.E.W. survey showed that one of every three firstborn children from 1964 to 1966 was conceived out of wedlock, and the "sexual revolution" has come a long way since 1966. Syphilis and gonorrhea have become the Number One communicable diseases in many states.

The Federal Commission on Obscenity and Pornography estimates that the American public spends up to \$2 billion per year on pornography. According to John Ingersoll, Director of the Federal Bureau of Narcotics, juvenile drug arrests were last year up 1,869 percent. A recent survey showed that fifty-five percent of our teenagers treat stealing as "a casual matter" because "few people nowadays consider it a big deal to steal." Worse, our churches are abandoning Biblical doctrine for "social concern" and ethical relativism, with the result that most are empty shells on Sunday mornings.

With all this comes a weakening of the will and a general paralysis — most apparent in American reaction to the continuing no-win war in Indo-China.

While the futile peace talks in Paris have dragged on for over two years, some

twenty thousand more Americans have been killed. Meanwhile, here at home, columnist Dorothy McCardle reports in the *Washington Post* of April twenty-third that Henry Kissinger, the President's Number One foreign policy advisor, celebrated the centennial anniversary of the birth of Lenin with the Comrades at the Soviet Embassy. Kissinger didn't even bother to be discreet about it.

The *Insiders* of the Establishment are determined that the Indo-China War last as long as possible, even while they stimulate and manipulate their student pawns in rebellion against it. Candidate Nixon faithfully promised that since eighty-five percent of the war matériel used by the Enemy in Vietnam came from Soviet Russia and her satellites, he would stop aid and trade with the Communists as long as the war in Vietnam continued. On April 29, 1970, President Nixon lifted trade restrictions on shipping 222 key industrial products to the Soviet bloc — including such "non-strategic" items as chemicals, iron and steel products, office machines, telegraph equip-

ment, agricultural machines, radio equipment, tool parts, and electrical apparatus.

Two days later the President made his dialectical move and ordered the invasion of Cambodia "to destroy Communist supply lines there." If he had really meant to interdict Communist supplies, he would have stopped aid and trade with the U.S.S.R. and her satellites, mined Haiphong harbor, and destroyed the railroad at Hanoi.

Of course, only the politically sophisticated understand how thoroughly the war in Vietnam is being run to serve the interests of the Communists, and most Americans diagnosed the Cambodian invasion as an anti-Communist move. Some up-tight "Liberals" actually accused the President of trying to win the war. Mr. Nixon vehemently denied it, promising to withdraw after making a deadly show of tramping about in the boondocks.

Students across the nation, led by radical professors and schoolboy Lenins, reacted to the Cambodian mission like so many Pavlovian pups. Which made the President look to the "silent majority"



The Communists are now regularly holding meetings on American campuses to radicalize students



A chaplain prays over dead Marines as Mr. Nixon expands U.S. trade with arsenal of the Vietcong.

like a defender of anti-Communism, American interests, and the flag — while he quietly expanded U.S. trade with the arsenal of the Vietcong killing our soldiers in the field. Incited by their professors, the nation's students struck or boycotted classes at 450 colleges, and there were bloody demonstrations at 300 more in early May. Damage to buildings through arson, bombing, and window-smashing ran into the scores of millions of dollars. The Nixon Administration, by continuing the policies of the Johnson Administration and by further expanding the Vietnam War with no intention of victory, has created a situation in which a whole generation of American youth has been radicalized.

The agents of this radicalization are the Leftist faculties in our colleges and universities.

Studies conducted recently by the Survey Research Center at the University of Michigan, and by Daniel Yankelovich, Incorporated of New York, show that college students are far to the Left of young people of the same age who are

not attending college. The "generation gap" is largely created in the schools. Obviously most students get their politics from their professors. Political philosophy and history are seldom discussed in depth at home, and most collegians are not living at home, anyway.

The fact that students absorb the political philosophies of their instructors is hardly surprising. Young people attempt to emulate those whom they have been led to believe are wise and righteous. These young "adults" have no way of knowing that the picture they are being given of the world is a highly distorted one. While they consider themselves extremely sophisticated, most are a push-over for any reasonably articulate radical lecturer. They accept the views of their professors and seldom realize they are being propagandized with clichés that were laughably ancient when their grandfathers were swallowing goldfish.

The campus revolution, then, is a product of the tenured faculties who influence all students, turning the more neurotic among them into psychotic revo-

lutionaries. The anger of the American public against these schoolboy Lenins is well deserved, but until something is done about the educators who produce them, their numbers will continue to mushroom. It is the cadre on the faculty which creates the expendable cannon fodder in the streets. Meanwhile, politicians make political capital amongst the "silent majority" by gnashing their teeth over New Left atrocities while protecting the radical incubators from which the revolution is being hatched.

The student rebels, who want to take over everything but tuition payments, would soon find their enthusiasm for revolution dulled if they were expelled for engaging in violent and destructive acts. We have attempted to obtain statistics of the number expelled for revolutionary activities during the past year, but apparently none are available. The national Intelligence sources we have queried cannot name a *single* such expulsion. Many students have been suspended, but they have been promptly re-admitted through the back door. While on suspension, the junior-grade Maoists are usually free to stay on campus and organize political activity. They would rather be doing this than going to class anyway.

It is obvious from such treatment of student revolutionaries that they are doing what the administrations of the universities expect of them. No other explanation makes sense. The truth of this statement has become more obvious since the Cambodian invasion turned

most campuses into official centers for radical political and revolutionary activities. Many colleges are actually allowing academic credit for such activities; or permitting students to skip classes and finals, receiving the grade they had at the time they began to play at being urban guerrillas.

What we are witnessing is the Communist tactic of *pressure from above and pressure from below*, described by Communist historian Jan Kozak as the device used by the Reds to capture control of Czecho-Slovakia. The pressure from above comes from secret, ostensibly respectable Comrades in the Government and Establishment, forming with the radicalized mobs in the streets below a giant pincer around middle-class society.* The street bunders are pawns, shills, puppets, and dupes for an oligarchy of elitist conspirators working above to turn America's limited government into an unlimited government with total control over our lives and property. As Frank Capell recently observed in *The Review Of The News*:

Of course, we know that these radical students are not going to take over the government. What they are going to do is provide the excuse for the government to take over the people, by passing more and more repressive laws to "keep things under control."

The great historian Oswald Spengler recognized the tactic as early as the turn of the century when he wrote:

There is no proletarian, not even a Communist, movement, that has not operated in the interests of money, in the directions indicated by money, and for the time being permitted by money — and that without the idealists among its leaders having the slightest suspicion of the fact.

*For a more complete description of this tactic see Alan Stang's "The Great Con" in *American Opinion* for June 1970. See also: Committee on Un-American Activities, House of Representatives, 87th Congress, first session, *The New Role Of National Legislative Bodies In The Communist Conspiracy*, Reprint of "How Parliament Can Play A Revolutionary Part in the Transition to Socialism" and "The Role of the Popular Masses," by Jan Kozak, historian of the Communist Party of Czecho-Slovakia, U.S. Government Printing Office, Washington, D.C., 1962.



Red leader Abbie Hoffman (center) gives Communist salute as he addresses Establishment media.

George Orwell, author of the classics *1984* and *Animal Farm*, was an idealistic socialist who joined the British Communist Party only to discover that there was a force behind the Conspiracy even bigger and uglier than the Communists. He called it the "inner party." American Conservatives refer to those who run this "inner party" as *Insiders*. Like Orwell they understand that the tactic of *pressure from above and pressure from below* is being promoted from above by many of the very men those below believe themselves to be fighting. Marxism is but boob-bait. As George Orwell noted: "So much of left-wing thought is a kind of playing with fire by people who don't even know that fire is hot."

Communist leader Jerry Rubin, helping to create the pressure from below, commented recently: "We've combined youth, music, sex, drugs and rebellion with treason, and that's a combination hard to beat." It's obvious what is happening. All these things which Rubin admits are a part of the Communist strategy have been glorified, promoted,

and romanticized by the Establishment media. An avowed Communist and felon free on appeal of a conviction for incitement to riot, Jerry Rubin is allowed to tour all over the United States urging college audiences to burn and kill — committing over and over again the crime for which he has been convicted. This while the Nixon Justice Department looks the other way. Rubin's book, *Do It!*, which openly advocates Communist revolution, has been published and is being extravagantly promoted by the Establishment publishing firm of Simon and Schuster.

Another example of *pressure from above and pressure from below* is the recent three-page telegram sent to identified Communist Irving Sarnoff, head of the Los Angeles Peace Action Council, by U.S. Senators Alan Cranston, Charles Goodell, George McGovern, Mark Hatfield, and Harold Hughes — requesting the help of Communist Sarnoff and his organization in a campaign to cut off funds for our troops in Indo-China. They knew *very well* what they were doing!

The pressure from below is not only

promoted by the "respectable" revolutionaries from above, it is also financed by them. Virtually every militant "Civil Rights" leader is, or has been, on the payroll of the War on Poverty. Evidence of the financing of revolutionary activities by the government is overwhelming. But Mr. Nixon, after recognizing this publicly and implying during the campaign that the O.E.O. would have to go, has now completely reversed himself and refuses to clean house. Next to the federal government, the biggest financiers of the Black Power revolution in America have been the great Establishment foundations. (See my article on "Foundations" in AMERICAN OPINION for November of 1969.)

Many of the campus revolutionaries are actually attending college on grants and loans from the Department of Health, Education and Welfare. But, Secretary Robert Finch on June 8, 1969, coldly rejected appeals from angry Congressmen to cut off federal aid to those arrested in campus riots. Even S.D.S., which is avowedly Communist and now leads the dynamite brigade, is financed by the secret, "respectable" revolutionaries from above. As U.P.I. noted on July 7, 1969:

FBI Director J. Edgar Hoover reports the coffers of "New Left" organizations such as Students for a Democratic Society (SDS) are being enriched by wealthy Americans.

"... wealthy benefactors who have acquired their fortunes in the United States have contributed substantial amounts in support of the New Left movement and in support of the activities of the SDS in particular," Hoover said.

Hoover said the New Left also had received money from several foundations including "a very prominent foundation in New York" which he said contributed more than a quarter of a million dollars from 1961 to 1968 to individuals and groups.

Further indications of Establishment financing of the Communist S.D.S. are contained in James Kunen's *The Strawberry Statement: Notes Of A College Revolutionary* (Random House, New York, 1969). Describing events at the 1968 S.D.S. national convention, Kunen says:

Also at the convention, men from Business International Roundtables — the meetings sponsored by Business International for their client groups and heads of government — tried to buy up a few radicals. These men are the world's leading industrialists and they convene to decide how our lives are going to go. These are the guys who wrote the Alliance for Progress. They're the left wing of the ruling class.

They agreed with us on black control and student control . . .

They want McCarthy in. They see fascism as the threat, see it coming from Wallace. The only way McCarthy could win is if the crazies and young radicals act up and make Gene look more reasonable. They offered to finance our demonstrations in Chicago.

We were also offered Esso (Rockefeller) money. They want us to make a lot of radical commotion so they can look more in the center as they move to the left. (Page 116.)

Carl Oglesby, a self-admitted Communist and S.D.S. founder, writes of Business International in *New Left Notes*:

BI's clientele includes America's corporate giants. It seems to have direct pipelines to most governments . . .

Practical as its understandings are, BI is still an acutely ideological organization, by which I mean that it has a conscious sense of itself as

an agent of historical change BI sees the increasing integration of world economic functions [socialist world government] as crucial to liquidation of international belligerence and Third World poverty and prosperity of democratic values. . . . Free-enterprise marketplace competition has been essentially superceded by the requirement for long-range planning and [monopoly] controlled market expansion

BI, too, advocated détente with the USSR, a gradual re-alignment of America's China policy, and eventual rapprochement with Cuba.

Oglesby described those at a meeting between the Communist S.D.S. and representatives of Business International:

The other side: [Eldridge] Haynes and his son Elliott, BI vice-president, along with two other people from BI and about eight business executives, most of whom bore titles like "Vice-President Overseas" from some of the biggest of the multinational companies: chemicals, construction, drugs, electronics, etcetera.

Comrade Oglesby says that at this meeting a "concensus" was reached. Doubtless the money which Business International filters to the Communist youth movement in the United States comes through its overseas connections and is therefore untraceable. You couldn't ask for a better set-up. Assuming, of course, that you are a secret, "respectable" Communist revolutionary. The strategy is *pressure from above and pressure from below*.

Even some "Liberal" columnists are starting to hint at the real picture. Eric Hoffer writes in the *Los Angeles Times*:

. . . But nowadays as you listen to the talk of some of the rich you

get the impression that what they want most is to ally themselves with the poor against those of us in between. In the 1960s persons of great wealth have been a major source of support for radical political activity.

Richard Harwood and Laurence Stern of the *Washington Post* may also be getting wise. They observed recently in a *Post* article entitled "The Establishment Radicals":

. . . The whole Eastern Establishment — from the money lenders to the taste-makers — is getting radicalized so fast that it's hard in Manhattan these days to tell Jerry Rubin from an ad man

A prime symptom of the Establishment's revolution against itself is the fact that its favorite politicians, symbolized by Fun City manager John Lindsay, have themselves become candle-bearing celebrants in the American peace movement. (They need haircuts, too.) Its favorite publications have gone mod, if not mad, and are taking up the great themes and crusades of the underground press. Time magazine which, not so long ago, worshipped the age of Eisenhower, is featuring homosexuals on its cover and celebrating nudity in living color (from the backside, of course), just like Vogue, Glamour and the New York Times Magazine

Time's sister, Life, which has always been big on Popes and the Fourth of July, is writing with empathy about pot-smoking, that popular Establishment misdemeanor. The great book publishers of Manhattan are fighting it out with backroom boys for the pornography market

. . . And so, at your breakfast

table these days, the New York Times amusement pages offer a kinky rodomontade of flesh flicks for the fashionable voyeur, for the prurient "straights" and for "ultra liberal adult males," meaning the gay crowd

Up and down the Eastern Seaboard university faculties and administrators are staging self-correction seminars to investigate new ways to give power to freshmen and to dissipate their own authority

It is rather evident from all this that the Eastern Establishment is co-opting the Now Generation just as it is putting down the ballyhooed Common Man's Revolt against Liberal Establishmentarianism.

Even Establishment columnist Max Lerner, an ancient Leftist warhorse, is now telling us where the revolution is really at:

What has happened is that the respectable have become revolutionaries, and the revolutionaries have become respectable — at least if we use the term "revolution" to mean a far-reaching political change within the constitutional frame

. . . you have an activism weightier and reaching farther than ever in American history. In fact, one might quip that if America ever gets a revolution it will be the Establishment that will engineer it.

The fall-outers will for that very reason call it a con game, different

from Mr. Nixon's, but nonetheless meant to fob off the real revolutionaries. I don't think it is. What we are witnessing is an earnest groping for new relationships. [The effete snob's way of describing revolution.]

That is the name of the game. The secret, "respectable" revolutionaries *above* are making revolution from *below* seem respectable. Just as the Conspiracy planned, we are getting a dictatorship of the elite disguised as a dictatorship of the proletariat. The revolution that is year by year being imposed on us with increasing brazenness has nothing to do with the American Revolution, but is its very antithesis. As Jeffery St. John has observed:

America's founders were the only real revolutionaries of the last 200 years; all other revolutionaries were pretenders because what they sought was power over people America's founders sought not power over people but an unleashing of the power within the individual.

If a sufficient number of Americans don't wake up to the fact that the most dangerous revolutionaries are the "respectable" ones working from above — manipulating our economy, involving us in wars they won't let us win, radicalizing our youth for their own purposes, creating and promoting a breakdown of every American tradition and virtue to justify an expansion of "police powers" — the American Revolution will retreat into the New Dark Ages. ■ ■

CRACKER BARREL

- Like sheep, turning to the shepherd for tender care and sustenance, too many folk look to the Government to supply every need. It is well to remember that though the shepherd may love his flock like a father, the sheep will be sheared in the end.
- Archeologists working recently to decipher writings on stone and clay tablets from the ruins of Babylon got a rude surprise when they discovered that the messages engraved four thousand years ago dealt mainly with rationing, price ceilings, and production controls.