

RICHARD NIXON

Professor Galbraith Calls Him A Socialist

Gary Allen, a graduate of Stanford University and one of the nation's top authorities on civil turmoil and the New Left, is author of *Communist Revolution In The Streets* — a highly praised and definitive volume on revolutionary tactics and strategies, published by Western Islands. 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.

■ LIVING in colorful California and researching for *AMERICAN OPINION*, I had begun to suspect myself incapable of being shocked by anything short of a rhinoceros horning in on the privacy of my patio. An article in the September issue of the "Liberal" *New York* magazine, however, tops even that. Entitled "Richard Nixon And The Great Socialist Revival," it maintains that Mr. Nixon is some kind of a secret Marxist, working with the giant foundations and international financiers; that while he is mouthing platitudes in praise of free enterprise, he is working quietly to socialize the country.

The article is illustrated with a reproduction of the famous poster of Mao Tse-tung, his ugly little cap squarely on his head, his collarless Red Chinese uniform covering sturdy if rounded shoulders, one arm raised to wave a huge Communist flag. Except that the face in the *New York* illustration is not that of Comrade Chairman Mao, but of President Richard Nixon. And subsequent pages

carry drawings of American laborers giving the Communist clenched-fist salute, with the final panel depicting a worker delivering that gesture in front of the New York Stock Exchange.

Glancing at such an article without noting the name of the author, one might suspect that some wag had spirited it from the "nut file" at *AMERICAN OPINION* and sold it with doctored illustrations to the imminently respectable *New York* magazine as a lark. Not so. The man who produced this amazing article was Harvard Professor John Kenneth Galbraith, an important member of the *Insider* Establishment. And Galbraith doesn't kid around just for fun.

One thinks immediately of Richard Rovere's famous article, "The American Establishment," in *Esquire* of May 1962. You will recall that Mr. Rovere, like Dr. Galbraith a professional "Liberal," provided an excellent description of the *Insiders'* Council on Foreign Relations, its satellites, and the chief personalities who run it. Rovere declared: "The directors of the Council on Foreign Relations make up a sort of Presidium for that part of the Establishment that guides our destiny as a nation." Galbraith is of course a member of the C.F.R. And Richard Nixon, the subject of the Professor's revealing article, has not only been a member of that "Presidium" of *Insiders*, but during his 1968 Presidential campaign wrote an article for *Foreign Affairs*, the official C.F.R. journal. At last count, more than one hundred members of the 1,400-member Council on Foreign Relations hold key positions in the Nixon Administration.

Both Nixon and Galbraith are members of the same ruling elite, composed of men from the government, the major tax-free foundations, big business, and international banking — all mutually bound to the same club of Establishment *Insiders*. For Professor Galbraith to pronounce the President a socialist in such inside company is no accusation but a compliment.

Galbraith explains that he wants the Democratic Party, whose partisanship he serves, to quit pussyfooting around and proclaim its own adherence to socialism. In his latest book, *Who Needs The Democrats?*, the Cambridge sage declares: "The Democratic Party must henceforth use the word *socialism*. It describes what is needed" John Kenneth Galbraith is, after all, an economist. He knows that in the *Communist Manifesto* Karl Marx made no distinction between socialism and communism. Those terms are interchangeable. *Human Events* for November 14, 1970, quotes Galbraith as declaring of the Soviets that "they are basically just like us." And, if by "us" he means his socialist friends, the Professor is absolutely correct.

Lenin believed that socialism would come to backward countries like Russia by revolution, and to industrial nations like Great Britain or America as popular socialism. That is why all Communists work for socialism. They understand what the naïve and well-meaning amateur "Liberal" does not. They know that the difference between "democratic" socialism, as practised in England or Sweden, and the openly totalitarian socialism practised in Russia and China, is not one of degree but of timing. J.K.G. wants to declare the Revolution won and stop playing around.

Professor Galbraith is no amateur socialist, either. He was a founder, and has served as Chairman, of the 60,000-member Americans for Democratic Action — an avatar of Great Britain's Fabian Socialist Society. He has also

been affiliated with the League for Industrial Democracy — another Fabian Socialist front, which spawned the bomb-throwing Students for a Democratic Society. If Professor John Kenneth Galbraith thinks Richard Nixon is a socialist, perhaps it is time that thoughtful Republicans took a second look.

Galbraith knows what socialism is. He is best known for his book *The Affluent Society*, which pushed the idea that government and its services are being scandalously starved while the private consumer luxuriates. His solution was socialism: taxing the latter more heavily to support the former more generously.

And he knows what conspiracy is. Professor Galbraith is probably least known for his participation in preparing the infamous *Report From Iron Mountain On The Possibility And Desirability Of Peace*. The jacket on the Dial Press edition of that *Report* states its theme:

Report From Iron Mountain unveils a hitherto top-secret report of a government commission that was requested to explore the consequences of lasting peace on American society. The shocking results of the study, as revealed in this report, led the government to conceal the existence of the commission — they had found that, among other things, peace may never be possible; that even if it were, it would probably be undesirable; that "defending the national interest" is not the real purpose of war; that war is necessary; that war deaths should be planned and budgeted.

The Harvard Professor's *Report From Iron Mountain* is a blueprint for rule by what the Communists call "perpetual war for perpetual peace," a technique manifested at present in Vietnam and the Middle East. Galbraith and the Iron Mountain boys explain that "social change" can best be brought about during

wartime when Americans will accept controls and heavy taxation in the guise of national defense; that therefore, to further socialism, war is desirable.

Professor Galbraith admitted in England that he was indeed one of the authors of the *Iron Mountain Report*. The Associated Press reported his confession, but few newspapers bothered to publish it — most failing even to understand what such an admission meant.

Back in America, however, Professor Galbraith is a leader of the "peace" movement and feigns sympathy with the young men who are sent to their death in political wars that are not meant to be won. In this country he denies authorship. On the cover of the Dell paper edition of the *Report*, in fact, Galbraith denounces it as something that would emanate from the twisted mind of a Dean Rusk — who like the Professor, himself, is a member of the C.F.R. elite which fathered the Iron Mountain concept. Galbraith denounces Galbraith. War is peace. Slavery is freedom. The man is even reported to have used a pseudonym to write a favorable review of his *Report* which appeared in the *Washington Post*.

When John Kenneth Galbraith plays games it means something. Often, it seems, he labors to contrive a cloak for the truth which is so outrageous that none but *Insiders* will believe it. Consider how Professor Galbraith begins his article in *New York* magazine:

Certainly the least predicted development under the Nixon Administration was this great new thrust to socialism. One encounters people who still aren't aware of it. Others must be rubbing their eyes, for certainly the portents seemed all to the contrary. As an opponent of socialism, Mr. Nixon seemed steadfast . . .

The public's memory is notoriously short, but those who have watched Nixon

closely over the past two decades know that Galbraith is right. Richard Nixon began moving Left well before he became Vice President in 1952. And, by the end of his second term, sophisticated "Liberals" knew he was in their camp. Richard Wilson, Chief of *Look* magazine's Washington Bureau, telegraphed this in a feature article for *Look* of September 3, 1957, titled "The Big Change In Richard Nixon." Dick Wilson raved on and on about the "new Nixon," declaring:

He has made a distinct turn to the left. When the choice has been between the Republican right and the Republican left, Nixon has sided with the Republican left.

Thirteen years later, John Kenneth Galbraith is still playing the same theme. Nixon, after all, is a Keynesian. And Galbraith emphasizes that the economic philosophies of the late John Maynard Keynes are designed to promote socialism. Lord Keynes, who tried to turn the British Fabian Society into a Gay Liberation Front of the Roaring Twenties, served as patron economist for Franklin Roosevelt, Benito Mussolini, Adolf Hitler, John Kennedy, Lyndon Johnson, and now Richard Nixon. That Nixon subscribes to the Keynesian New Economics is, however, no secret. As the *Wall Street Journal* noted in its issue for December 5, 1968:

It's clear, too, that the President-elect wants the Government to use fiscal and monetary policy to urge the nation along a safe economic course. To that extent he accepts the "New Economics" pursued by the Kennedy and Johnson Administrations . . .

This is not an isolated view. Even before the election, on October 21, 1968, the *Wall Street Journal's* Richard Janssen observed:

In fact, the Nixon camp is stressing that it's no less committed to the basic principle of Government-guided economic growth than the Johnson-Kennedy Administrations have been. Mr. Nixon has labeled himself a "new economist," aides note, a tag customarily attached to such Democratic seers as Walter W. Heller, Gardner Ackley and Arthur Okun, the current chairman of President Johnson's Council of Economic Advisors

Presidential economic advisor Herbert Stein has even written a book titled *Conservatives Are Keynesian, Too*, the theme of which was described by *Business Week* for May 3, 1969, as follows:

The great fiscal revolution in America . . . was not the exclusive product of Keynesian economists and Democratic politicians. Rather it was an event for which Republicans, conservatives, and businessmen are entitled to an almost equal share of the credit. And that alone should lay to rest any worry that the Nixon Administration will revert to antediluvian attitudes if the going gets rough in the war against inflation.

Antediluvian, yet! The G.O.P. has been railing against Keynesian deficit spending for nearly four decades. Now, as nationally syndicated economist J.R. Ter Horst commented in his column for October 30, 1968:

Even Nixon, interestingly, has discarded the old GOP axiom of balancing every Federal budget every year. His emphasis now is on "the intelligent balancing of the economy over the business cycle" — which is the philosophy of the New Economics which has dominated budgetary policy the last eight years.

The mother of that New Economics, Fabian Socialist John Maynard Keynes, boasted to a friend that his system would be the "euthanasia of capitalism," eliminating what we call Free Enterprise under the guise of relieving its pains. The "New Economics" is the old Communist economics; it is the economics of Marx without the accents of Middle Europe.

As a celebrated Keynesian, Galbraith could not have been too surprised at the fiscal and monetary features of what he calls Mr. Nixon's "new socialism," even if the public is increasingly flabbergasted. Professor Galbraith does, however, seem somewhat surprised to see President Nixon moving toward socialism in other areas. As the Wizard of Harvard proclaims it from the Oz of *New York* magazine:

In an intelligently plural economy, a certain number of industries should be publicly owned. Elementary considerations of public convenience require it. For moving and housing people at moderate cost, private enterprise does not serve. But I had come reluctantly to the conclusion that socialism, even in this modest design, was something I would never see. Now I am being rescued by this new socialist upsurge promoted, of all things, by socialists not on the left but on the right. And they have the blessing, and conceivably much more, of a Republican Administration.

Professor Galbraith contends that this "new socialism" is the basis of what he calls the "Nixon Game Plan," based on the experiences of the successful Fabian Socialist conspiracy in England. The Professor refers to this as "the doctrine of commanding heights," declaring:

The new socialism also shows an acute sense of strategy. In the years after World War II in Britain, where socialism had a fair run, British

socialists developed the doctrine of the commanding heights. The state would not take over the entire economy. It would aim for that part which was so strategic that its loss destroyed capitalist power, shattered its morale and so secured social control over the rest. The new conservative socialism in the United States has taken over the strategy of the commanding heights with a vengeance.

And Mr. Nixon, says the delighted Galbraith of his fellow socialist, appears to be beginning where the British began:

Thus the first of the heights which the British socialists marked out for capture after World War II was the railroad system. It had great symbolic value. More than textiles, water transport or steel, this was the industry where modern large-scale capitalism began. So, pro tanto, it was where socialism should begin. To be astride the transportation system carried also the impression if not the reality of power.

The railroads were similarly marked out by the new American socialism for its first offensive. This was concentrated on the biggest of the systems, indeed the biggest transportation company in the United States, the Penn Central. The attack was not led by the passengers and shippers, the two groups which had been most aggressively abused by private capitalism in this industry. Nor did the workers, once the big battalions of socialism, react. The socialist thrust against the Penn Central was led by the executives of the railroad — by the agents and instruments of the capitalists themselves.

Here is John Kenneth Galbraith declaring that socialism is not a movement

of the downtrodden, but a strategy for power run by an intellectual and financial elite. Less audacious socialists would have us believe that the reason they seek government ownership and control over the means of production is to share the wealth. Galbraith sees no reason to lie about it. He admits that socialism is not a share-the-wealth program but a conspiracy run by elitist insiders.

As Mr. Galbraith notes, when the Penn Central Railroad faced bankruptcy it ran (with the urging of seventy-seven of the nation's most important banks) to the government, inviting Congress to pour into Penn Central some \$200 million in public funds. Its executives, Galbraith says, "revealed their deeper commitment and rejected capitalist rules." And the Nixon Administration greeted the move with open arms. "This dramatic rush to socialism won the initial approval of the Republican Administration. Everything, indeed, seemed greased and ready to go," says Professor Galbraith. By "greased" we assume he is referring to the fact that Penn Central hired the legal services of Randolph Guthrie of Mr. Nixon's "former" law firm of Mudge, Rose, Guthrie and Alexander.

It didn't work. The move was blocked by Representative Wright Patman, Chairman of the House Banking and Currency Committee. Galbraith comments:

... But it seems likely that the setback is only temporary. Other railroads are known to want government participation in their capital structure. There is no chance that the Penn Central will get through receivership, much less escape from it, without public capital. Even if he feels strongly about defending private enterprise, Mr. Patman cannot stand up against this kind of pressure forever.

The handwriting is on the wall. Most railroads are very shaky; caught between

a business slowdown, labor demands, inflation, and the incredible excess of controls applied by the Interstate Commerce Commission. The chief causes of the railroads' problems are summarized by Professor Michael Conant in the *Wall Street Journal* of September 17, 1970:

The Federal legislation which inhibits successful management is of three main types. The minimum rate regulation keeps railroads from lowering many rates for commodities in which railroads compete with highway and watercarriers . . . railroads could do a more efficient job of carrying most commodities for distances over 250 miles.

The second group of statutes are railway labor laws which put so much power in the unions that they force the employment of large numbers of unneeded workers. Featherbedding in the railroad industry is real and the political power of railway unions prevents the enactment of laws to foster its termination.

The third group of statutes prevents the disinvestment in plants that can be operated only at a net loss. These are the laws relating to pooling of operations, trackage rights and abandonments. The many parallel railroads and thousands of branch lines were built before the days of the hard road, the motor truck and the airplane. The present great excess capacity in railroad lines and yards can only become an increasing source of losses as real estate taxes and costs of maintenance of way increase . . .

Railroad managements would like the public treasury to give them short-run financial aid. In light of the facts outlined above, however, no reasonable taxpayer can support public loans to failing railroads, the proposal now before the Congress.

Until the three groups of Federal statutes are amended, such "loans" would merely be subsidies to inefficiency while railroad losses and bankruptcies continued to increase. The American taxpayers must not be so foolish as to throw money down this bottomless pit.

The only real solution to this bevy of dilemmas is that put forth by Professor Oscar Cooley:

The Interstate Commerce Commission should be abolished. The competition of substitute methods of transportation — trucks, waterways, pipelines, airplanes — not to mention the very real competition between the rail companies themselves, is amply protecting the customers. The railroad companies should be set free to fix their own rates, provide such services as they choose to provide — after all, they must serve the public if they are to make a profit, and in every respect to run their own business.

But Richard Nixon, for all his campaign talk about how government controls produce stagnation, has never even suggested such a possibility. Doubtless nationalization will proceed through a series of steps involving subsidies and loan guarantees.

The President did not push plans for pouring money into the Penn Central during the recent campaign, but the *Wall Street Journal* reported on September 14, 1970, that some "sources believe that large amounts of funds for the Penn Central will be forthcoming after the November elections . . ." Now the plan can be promoted as giving a badly needed "boost to the economy." In the meantime a bill has passed Congress, and been signed by the President, to establish a \$340 million federally chartered National Railroad Passenger Corporation.

This law, which the *Wall Street Journal* dubs "semi-nationalization," provides for a government takeover of railway passenger service.

In *U.S. News & World Report* for July 6, 1970, Secretary of Transportation John Volpe gives us a clue to the Administration's thinking: "The only option for keeping service intact — the only one we could think of — is take-over by the Government." And the Establishment media are already starting to beat the bongo drums to justify this government takeover of America's railroads. *Time* magazine's Line is typical: "Washington seems to be the only power that has the potential, at least, of building a rational, balanced national rail system."

We must not lose sight of the fact that the sixth plank of the *Communist Manifesto* requires "Centralization of the means of communication and transport in the hands of the state." This is exactly what the *Insiders* have in mind. They will themselves be bailed out of Penn Central investments at a handsome profit. So well protected is this operation that columnists Allen and Goldsmith have noted that the government can't even find out who eleven of the largest Penn Central stockholders are. As Allen and Goldsmith observed in their nationally syndicated column for August 6, 1970: "Of the 11 names, five are brokerage and other financial firms, two Swiss banks, and the others trustees of several railroads and other companies."

The *Insiders* of the Establishment are apparently working with President Nixon and the "new socialists" to nationalize the railroads at a tremendous profit to themselves.

Dr. Galbraith considers government plans to bail the vast Lockheed Corporation out of its present financial quagmire to be another example of Mr. Nixon's "new socialism." Again, Galbraith notes the working arrangement between the *Insiders* of the giant banks and the government in promoting such socialism:

But much more clearly than in the case of Penn Central, the inspiration to the new socialism is here shown to be coming from the financial community. The banks have gone to the foundations for their tactics, which is logical since the foundations have often been accused of promoting socialism. For some years, foundations have been using the so-called incentive grant which means that the recipient gets money only if he bestirs himself and does what the donor wants him to do. In the last weeks of July a group of 24 of the nation's major banks (as they were described by the New York Times) agreed to make an \$80-million incentive credit grant to Lockheed. To qualify, Lockheed had to get the government involved to the extent of (hopefully) \$300 million in loans, guaranteed loans and gifts. Thus private capitalism forced socialism in approximately a one-to-three ratio. The fact that 24 large banks agreed on the tactic did not leave much question as to how the financial community feels about the new socialism.

One must remember that the socialist Professor Galbraith favors all of this. As the *Washington Post* reported on June 4, 1969: "John Kenneth Galbraith suggested yesterday that defense industries be nationalized . . ." Professor Galbraith informs us in his *New York* treatise that to achieve such an objective the tactic of "pressure from above" works better than bringing to bear revolutionary "pressure from below." He writes of the "new tory socialism," and observes:

As a device for socialist propagation, that of the banks in the Lockheed case is almost certainly superior to the oratory, agitation, strikes, demonstrations, sticks,

stones and low-yield explosives on which an earlier generation of socialists relied. Along with the others I have long felt that the specialized weapons firms should be recognized as full public corporations — that, being extensively socialized already, they are a natural for socialism. This effort has suddenly come to look a lot more practical. Once the new socialism has made its point at Lockheed, and assuming the same help from the banks, General Dynamics, North American Rockwell, LTV Aerospace, Grumman and the rest should be easy.

It is impossible to underestimate the significance of a socialist takeover of the world's largest railroad and the world's largest defense contractor. Their positions are strategic, as Galbraith reminds us when he emphasizes:

And, to repeat, socialism at the Penn Central and Lockheed is not symbolic — a mere opening wedge. These are big companies — genuine peaks among the commanding heights.

And there are other "commanding heights." Mr. Nixon's "third socialist front," according to Galbraith, "is the socialized SST." Commenting on the primary promoter of the Super Sonic Transport, Secretary of Transportation John Volpe, Professor Galbraith writes:

... The plane has the strong support of Transportation Secretary John A. Volpe. As a highway contractor in the public sector, a onetime federal highway administrator and a road-building governor of Massachusetts, Secretary Volpe has had an unparalleled association with the most purely indigenous branch of American socialism

which is moving earth under public auspices and covering it with asphalt and concrete. (In total value of public resources deployed over a lifetime, it is doubtful if any member of the Central Committee of the CPUSSR can match Secretary Volpe's score.) Given his background, the Secretary is not likely to be deterred by any ideological, financial or ecological objections to spending a few hundred millions for a public airplane.

Having incanted to his colors a whole army of evil demons, the Establishment's resident warlock now gets down to what it all means. Professor Galbraith plants his cloven hoof where it hurts:

Important as they are, however, the railroads, the defense industries and the next generation of planes are not the ultimate goal of the new socialism. The ultimate target is Wall Street. This is as it should be, and here it is making its greatest move — one that for drama and a kind of sanguinary gall would be appreciated even by such a master of these arts as the young Leon Trotsky himself.

Ah yes, lovely boy that Leon. The allusion to Trotsky is also amusing since he was financed by the Wall Street firm of Kuhn, Loeb and Company — and Kuhn, Loeb partner Lewis Strauss is reported to have been the largest fundraiser for Richard Nixon's 1968 campaign. You just know that J.K.G. knows that. The learned Professor continues:

The Wall Street objective is nothing less than the New York Stock Exchange itself, the very heart of American, even world, capitalism, the Everest of the commanding heights. The opportunity arises, as ever, from economic crisis. A known, ap-

preciable but undisclosed number of members of the Stock Exchange have been hit by falling revenues, high costs and the slump in the stock market and thus in the value of the securities they own. In consequence of this and their own inefficiency, their capital is impaired, the chances for repair are poor and, a miracle apart, they cannot make good to their customers the money and securities left with them for speculative use

It is significant that socialist J.K.G. does not advocate the elimination of all Wall Street firms. Apparently certain *Insider* firms are to survive the violent drops in the stock market caused by the changes in Federal Reserve policies which they control or to which they are privy. Los Angeles stockbroker John Weber reports the admission of a top Securities and Exchange official in 1964, that what the S.E.C. wants to see within a decade is a consolidation and elimination of brokerage firms until only ten Wall Street houses survive. That seems far too likely. Certainly Professor Galbraith thinks so:

The Wall Street vehicle of the new socialism is the proposed Securities Investor Protection Corporation (sic), or SIPC, a fund created by the Stock Exchange which is to be guaranteed by the government to the extent of a billion dollars. This will pay off the customers, creditors and victims of the failed houses. Because of some residual opposition to socialism in Wall Street, SIPC is being billed, rather imaginatively, as an insurance fund. Since the firms to be rescued are already in deep trouble, it is the first insurance fund in some time to insure against accidents that have already occurred — to place a policy on barns which have already burned down. But this is a detail.

As the new socialists see the prospect (one may assume), several of the larger stock exchange houses will eventually fail. The government will step in to conserve their assets against the claims it has paid. There will be strong pressure to minimize hardship and unemployment by keeping firms going. The government will oblige — the familiar yielding to pressure again. Presently other firms will fail and the government will find itself in a dominant position on the Street and the Exchange

The result of this would be that a handful of *Insider* firms would then have a monopoly on Wall Street with government capital to use in acquiring whatever they want. Professor Galbraith observes of the plan:

. . . no old-fashioned socialist ever had a better idea for getting a foothold on Wall Street. Their hats should be off to the new men. Friedrich Engels, a rich and gentlemanly businessman who loved fox-hunting, would, one senses, especially approve.

Ah yes, young Friedrich too. One almost regrets that such wit must be concluded. But the Harvard seer does end his revealing article — and with a discussion of what he calls the “Nixon Game Plan.” He begins by observing:

Mr. Nixon is probably not a great reader of Marx, but Drs. Burns, Shultz and McCracken are excellent scholars who know him well and could have brought the President abreast

Perhaps they did. Writing of Dr. Burns, a fellow member of the C.F.R. “Presidium” who was moved up from his position as top economic advisor to

President Nixon to become chairman of the Federal Reserve Board,* Galbraith declares:

A conspiracy theory of history is always too tempting. Dr. Arthur Burns as the Kerensky of this revolution, the Federal Reserve Building as its Smolny, tight money rather than oratory as its weapons, forces unleashed which, as in the case of Kerensky, no man can control — these thoughts are almost irresistibly attractive.

Having laughed at those who fail to see it as a "conspiracy," Professor Galbraith outlines the Nixon Game Plan:

... it is beyond denying that the crisis that aided the rush into socialism was engineered by the Administration. Money was deliberately made tight. The budget was deliberately made restrictive. The effect of these actions in raising interest rates and depressing the economy was firmly acclaimed as the Nixon Game Plan. The difficulties of Penn Central, Lockheed and the member firms of the NYSE were part of the same game plan — and socialism, as we have seen, is the name of the game. Cause and consequence were never closer; cause could not have been more deliberately contrived.

Obviously the President is not a one-man team. As Galbraith is fully aware, it was the Federal Reserve Board and not President Nixon who moved to tighten money. It is the Federal Reserve Board and not the Administration which controls the money. As the Kerensky-like Dr. Burns observed on November 11, 1969:

The responsibility of the Fed is to supervise monetary policy.... The FRB's autonomy was con-

ceived for purposes of maintaining the integrity of the currency. I think it's quite proper that money authority be independent of political authority.

Mr. Nixon's Secretary of the Treasury, David Kennedy, also made this clear when questioned in *U.S. News & World Report* for May 5, 1969:

Q. Do you approve of the latest credit-tightening moves?

A. It's not my job to approve or disapprove. It is the action of the Federal Reserve.

This hardly means that the Federal Reserve Board is not part of the conspiracy of which Professor Galbraith writes. Quite the contrary! If the Federal Reserve was created in 1913 for the reasons its defenders claim, *i.e.*, to establish economic stability by putting an end to cycles of boom and bust, it has obviously been an enormous failure. If, on the other hand, it was created by the *Insiders* to produce inflationary booms (followed by depressions or recessions) in which *Insiders* are permitted to accumulate enormous profits in the stock market as a result of the manipulated fluctuations, then the "Fed" has been a tremendous success. Since its creation we have had the worst depression in the history of the country and severe recessions in 1920, 1932, 1936-1937, 1948, 1953, 1956-1957, 1960, 1966, and 1970.

*It should be noted that Galbraith serves with Dr. Arthur Burns as a trustee for the Twentieth Century Fund, founded in 1919 by a wealthy Boston merchant named Edward A. Filene, who was affiliated with many Communist and radical organizations. The Twentieth Century Fund has financed Fabian Socialist activities in the United States for half a century. Among the officials of the Fund have been such human curios as Arthur Schlesinger Jr.; Julius Robert Oppenheimer, the nuclear scientist who was a contributor to the Communist Party; and, Evans Clark, another friend of the Soviets.

Those *Insiders* who have advance knowledge of Federal Reserve policies make their killing whether the stock market is going up or down; for, manipulating the men who set these policies, they control the timing of boom and bust. During L.B.J.'s second term, the F.R.B. inflated wildly — that is, it vastly increased the money supply, thus bidding up prices. During Mr. Nixon's first year in office the "Fed" had to stop this or face runaway inflation.* The time had come to shear the sheep. Between December 1968 and July 1970, the stock market was clipped by thirty-five percent.

As the *Insiders* who control the Federal Reserve also finance and manipulate Mr. Nixon, Professor Galbraith's statement about tight money as a feature of this conspiracy is obviously true.† And, as Galbraith says, President Nixon's fiscal policies (taxing and spending) were designed to work hand-in-glove with the "Fed's" temporary halt on expansion of credit. The President says he is fighting inflation; what he has been doing is putting the skids under the economy.

During the campaign Mr. Nixon talked of tax *cutting*, declaring: "My administration will be one in which we are going to do what is necessary but with less money. That policy, directed toward achieving a balanced budget, will stop the rise in prices and lead to a reduction in taxes."

*Here we are using *inflation* as it is commonly, but incorrectly, used — meaning an upward surge of the wage-price spiral. It is physically impossible to induce a sustained and general wage-price spiral if the government is not increasing the money supply. You can't fill a quart jar with a pint of water.

†Since the Federal Reserve has working control over the crucial money supply, one would assume that appointments to the Board would attract great national attention and be subjected to the closest scrutiny by Congress. Think now. Can you name one other member of the Board besides Arthur Burns? Unless you are a professional economist you can't, and neither can anyone else you know. To the best of our knowledge, Congress has never rejected a single appointment to the Board.

He specifically promised, on numerous occasions, to end the ten percent income surtax. Then, after taking office, President Nixon almost immediately asked Congress to extend the surtax.

The President's excuse was that the surtax was needed to control inflation. But Congressman H.R. Gross explained on June 11, 1969, that the ten percent surtax on income, which extracts from the taxpayers some \$12 billion a year, "hasn't worked because the Government has simply taken the money and spent it." Congressman John Rarick agreed:

There is something patently asinine about the theory that it is inflationary for the man who earned the dollar to spend it on his family — but that it is not inflationary for the Government to take the dollar away from him and give it to someone else to spend.

In fact, it is less inflationary to let the man who has earned the money keep it, because he will save at least a part of the sum in question while the government will spend it all. As the *Indianapolis Star* editorialized on July 13, 1969:

Last year the House approved the tax surcharges by demanding a \$6 billion cut in expenditures by the government and a cut of 240,000 employes from the payroll. There was no cut in spending — it increased. There was no cut in the payroll. It increased. The taxpayers were double-crossed.

The President, however, was adamant. He made the surtax vote a loyalty test and threatened conscience-struck Congressmen with cuts in federal expenditures in their home districts if they failed to go along. Mr. Nixon got his surtax. He pulled hard on the tax noose without any intention of cutting spending — a move which would strangle credit without re-

ducing inflation. It was part of the Nixon Game Plan.

The next gambit in what Professor Galbraith views as President Nixon's socialist conspiracy was the repeal of the seven percent tax credit for capital investment. Economist Henry Hazlitt commented disconsolately in *Republican Battle Line* for February 1970:

Even more ill-advised [than continuing the surtax] was Mr. Nixon's call for repeal of the 7 percent corporation investment tax credit. This was done for two reasons: to raise more revenue, and to reduce or remove the supposed "inflationary impact" of investment in new plant and equipment. The effect is to increase the tax burden still further on the corporations — precisely on the key productive element on which the whole nation's income and economic growth depend. The anti-inflationary argument is a complete fallacy. It is only government deficits and consequent money creation that causes inflation. The repeal of the tax credit merely means that a larger percentage of private spending will go into current luxury consumption and a smaller percentage into improving the competitiveness, efficiency, and productivity of America's industrial plant.

A disillusioned Pierre Rinfret, who had been a Nixon economic advisor during the campaign, contended that "you lick inflation by increasing capacity and not by holding it back." Rinfret was quoted in the *Los Angeles Times* of August 12, 1969, as declaring that the tax credit repeal "has destroyed the only real hope for resolving inflation." But, this was obviously the idea behind the Game Plan — to restrict money for the private sector, not the government. Penn Central, Lockheed, and hundreds of other American

corporations were put in a financial vice, just as Professor Galbraith indicates.

The third "trick or treat" the President demanded was his deceitful "tax reform" program. In this instance, "tax reform" was a euphemism for "tax raise." As the National Taxpayers Union observed: "Recently Congress passed new tax legislation. Reform legislation some call it — but it actually raised taxes by 3 billion dollars."

The reckless deficit spending of the Johnson years had resulted in huge increases in the money supply which had bid up wages and prices. During his campaign for the Presidency, Mr. Nixon made much of this. Note his words.

In his acceptance speech at the Republican Convention on August 8, 1968, candidate Nixon declared: "It is time to quit pouring billions of dollars into programs that have failed. We are on the wrong road — it is time to take a new road . . ." In a position paper on the economy, he announced: "In less than five years the Johnson-Humphrey Administration has squandered the inheritance of a decade's solvency . . ." Mr. Nixon also proclaimed: "The entire budget needs exhaustive review . . . Some programs . . . must accept less than maximum funding; non-essentials . . . must await easier times; every major program . . . must be scoured for economies." In September of 1968, candidate Nixon blasted the profligacy of the Democrats this way:

The total deficit run up in the budgets of the Johnson-Humphrey years will amount to more than \$55 billion. This massive deficit has wracked and dislocated the economy . . .

There is nothing the matter with the engine of free enterprise that cannot be corrected by placing a prudent and sober engineer at the throttle. The old politics of spend and elect have not only worked an

injustice on the American people, they have denied America much of its flexibility in dealing with on-rushing change

Over and over again the campaigning Richard Nixon called for L.B.J. to slash the federal Budget, as when he claimed that every day President Johnson put off doing so "he places in greater jeopardy the entire international monetary structure." Broadcasting over C.B.S. radio on April 25, 1968, Mr. Nixon claimed that "only by cutting the federal budget can we avert an economic disaster" In Dallas on October 11, 1968, he declared that "America cannot afford four years of Hubert Humphrey in the White House," because he has pushed for programs which would have caused "a spending spree that would have bankrupted this nation."

After the election such laudatory rhetoric and soulful promises were conveniently tossed into the memory hole. The socialist Game Plan called for quite another approach.

The fiscal mismanagement of which candidate Nixon spoke was truly monumental. President Johnson's last Budget of \$183.7 billion represented an increase of eighty-eight percent during the Kennedy-Johnson years. Mr. Johnson is quoted in the *Wall Street Journal* of January 16, 1969, as he prepared to leave office:

Outlays for major social programs will have risen by \$37.4 billion, more than doubling since 1964. This is twice the rate of increase of outlays for any other category of Government programs.

According to columnist Charles Bartlett, J.F.K. and L.B.J. had expanded the number of government domestic spending programs from 40 to 473. Most Republicans had resisted every one of these 433 new socialist programs. "Reckless spend-

ing," shouted Republican Congressmen; "Dangerous fiscal madness," echoed Republican Senators. During the waning days of 1968, the outgoing President Johnson prepared a well-padded Budget for fiscal 1970 to be handed to Mr. Nixon. An angry *Human Events* lamented in its issue of January 25, 1969:

To make things more difficult for Nixon on the domestic front, LBJ has tried to spread the myth that Nixon somehow has a moral commitment to carry out the programs of the "Great Society."

As a gesture of bad will, Johnson whipped up a \$195.3-billion "existing" budget for fiscal 1970, with spectacular increases called for in such things as model cities, housing, foreign aid and the almost totally discredited anti-poverty programs

The *Wall Street Journal* for January 16, 1969, described Mr. Johnson's budgetary bequest to Mr. Nixon in these terms:

Altogether, Mr. Johnson's budget slates an \$11.6 billion rise in outlays, more than twice as large as the \$4.8 billion increase that's expected to bring the current year's spending total to \$183.7 billion. The major changes reflect his own priorities, White House aides say.

But Mr. Johnson's priorities became Mr. Nixon's priorities. Nixon originally cut the Budget to \$192.9 billion — which was still \$8.1 billion higher than fiscal 1969, \$14 billion higher than Johnson spent in fiscal 1968, \$34.5 billion higher than L.B.J. spent in 1967, \$58.2 billion higher than Mr. Johnson spent in 1966, and more than \$100 billion higher than the "Liberal" Eisenhower Administration spent in 1960.

The \$8.1 billion increase was touted as "budget cutting" on the idiotic ground

that it was slightly less than what L.B.J. had proposed. In the end, Mr. Nixon's Budget turned out to be even higher than Mr. Johnson's proposals — a whopping increase over L.B.J.'s wildly contrived projection amounting to *fifteen billion dollars*. Now, with the frugal Republicans controlling the White House, last year's profligate spending became this year's bare-bones Budget. It all depends on which gang of socialists is doing the spending. For all of the oratorical bunkum during the campaign, Mr. Nixon and his advisors never intended to roll back the Great Society programs. As Richard Janssen reported in the *Wall Street Journal* of October 21, 1968:

Progress toward budget balance could be much faster if Mr. Nixon would rapidly dismantle many Great Society spending programs, but his advisors vow this won't happen. "There's no concept of undoing anything — it's part of the fabric and leave it be," Mr. [Pierre] Rinfret stresses

In fact, Mr. Nixon could not wait to expand the Great Society. The *Wall Street Journal's* Richard Otten revealed on July 16, 1969:

Only Vietnam-induced budget pressures seem to be deterring the Nixon Administration from proposing still larger Social Security benefits, far more spending on education and health, a far more sweeping war against hunger. Even the most conservative approach now being considered at the White House for new welfare legislation represents a major expansion of existing Government programs

Even "Liberal" columnist Clayton Fritchey, a former official of the Democrat Party, gasped in the *Washington Star* of September 1, 1969:

Despite talk and pledges of economizing, budget-cutting, and curbing the federal government, the Nixon administration is, in fact, headed for the greatest spending spree in the history of the country. The planned expenditures are on such a vast and unprecedented scale that nobody, including the Budget Bureau, can presently make a reliable estimate of what they will add up to before President Nixon completes his term in 1973.

Mr. Nixon claimed that his own first Budget would "speak louder than any words" of his determination to fight inflation. His 1971 Budget, the first one over which he had total control, proposed a \$200.8 billion Budget with a projected \$1.3 billion surplus. The Budget was hailed by "Liberals" because, as the President remarked, for the first time in twenty years:

. . . the federal government is spending more on human resource programs than on national defense. This year we are spending \$1.7 billion less on defense than we were a year ago; in the coming years we plan to spend \$5.2 billion less. This is more than a redirection of resources: This is an historic reordering of our national priorities.

Dr. Roger Freeman, a former Nixon advisor, was aghast. He is quoted here from *Human Events* of June 27, 1970:

Since that time (that is, between 1953 and fiscal year 1971, as proposed by the President) defense expenditures increased 49 per cent — approximately equal to the simultaneous rate of price rise. Spending for health, education, welfare and labor increased 944 per cent

More than half of the \$129

billion increase in federal expenditures between 1953 and 1971 was applied to social purposes, less than one-fifth to defense. Defense meanwhile shrank from 64 per cent of the federal budget to 36 per cent, from 13.6 per cent of gross national product to about 7.2 per cent.

In other words, the share of federal revenues and of the gross national product allocated to national defense has been cut almost in half since 1953. Most of the huge savings were applied to social purposes with education one of the main gainers.

While Mr. Nixon "reorders our national priorities," the Communists have grown increasingly hostile and expanded their strategic armaments. "More for life than war," gloated the *Washington Post's* Murray Seeger. To the "Liberals" and Mr. Nixon, our national defense, the major legitimate field of government, is not a "human need." While restricting military spending to expand most of the Great Society programs, the President introduced, according to *Republican Battle Line* of February 1970, "no less than seven major areas of new spending which will cost \$3 billion more the first year and perhaps \$18 billion annually as quickly as four years from now." The stressing of Welfare spending over defense was a far cry from campaign days.

After introducing a \$200.8 billion Budget, the President suddenly "threw caution to the wind." Added expenses came in postal pay increases, veterans benefits, construction loans, government employee pay increases, and in a host of other areas. Yet, in February, Mr. Nixon declared: "I have pledged to the American people a balanced budget." By October, black had become white. The *Wall Street Journal* of October 13, 1970, reported:

The new Nixon has bought the "new economics" — or at least the part that condones budgetary red ink

In a fundamental break from his old stance on fiscal responsibility, the President has squarely committed himself to a theory that holds a multibillion-dollar budget deficit is perfectly proper to bolster today's wobbly economy.

On November 17, 1970, House Ways and Means Committee Chairman Wilbur Mills announced that unless spending is suddenly cut drastically, Mr. Nixon's 1971 Budget, which started out projecting a \$1.3 billion surplus, was going to run an astounding \$24 billion in the red. Mills reminded the President that the deficits of the 1960s are the root cause of the inflationary problems of the 1970s.

And it looks like this is small potatoes compared to what is in store in coming years. A 5.6 percent unemployment rate hurt the Republicans badly in the 1970 mid-term elections. In an article entitled "Nixon Signals For Left Turn," Peter Lisagor commented in the *Chicago Daily News* of November 11, 1970:

Administration officials have indicated that the White House likely will follow its drive for a liberal welfare-reform measure with new "strategies" in the field of health and education of a progressive nature.

They also point to a tentative administration acceptance of a full-employment policy, which in the present state of the economy means deficit financing, a hallmark of the liberal approach in a situation of rising joblessness.

With these goals in mind, the political railbirds conclude that the President's recent meetings with conservative columnists at the White House and leaders of New

York's Conservative Party at his Florida retreat reflected his desire to disarm or immobilize potential critics on the right as he tilts toward the left.

Mr. Nixon's plan to make an even more rapid move to the Left is borne out by the Budget for fiscal 1972, which he is now preparing for Congress. One reads of it in *Time* for November 16, 1970:

Aides say that he will send to Congress a fiscal 1972 budget with a planned deficit — amount uncertain — to follow the unplanned deficit of about \$15 billion that the Government is likely to run this fiscal year

Administration officials are bandying about ideas for making the deficit look smaller than they expect it really to be

. . . the President has begun to distract attention from the forthcoming deficit by stressing an idea known as the "full-employment budget." This is a theoretical measure that, instead of calculating actual Government income, figures how much the U.S. would have taken in if there were full employment. Thus, a deficit under ordinary accounting might well turn out to be a surplus in the full-employment budget. Example: in this fiscal year, the Government stands to spend about \$210 billion and collect roughly \$195 billion, thus running a deficit of \$15 billion or so. But under full-employment accounting, the U.S. would show a surplus — because it would have taken in well over \$210 billion if the optimum number of people had jobs.

On October 13, 1970, the *Wall Street Journal* reported of Mr. Nixon's "full-employment" budgetary device:

. . . the concept is comforting to the Nixon regime. "After blasting the Democrats, it is pretty hard to turn around and convince people that our deficits are good ones," confesses a Republican strategist. But the full-employment approach, he contends, helps show that "in fact, there's a world of difference."

The President has concluded that elections are lost on unemployment and recession, not inflation. Mr. Nixon hopes to postpone the next major shot of inflation until after the 1972 elections. There is a time-lapse factor between the time the government injects the spending of deficit dollars into the economy and the time it takes for the new money to bid up wages and prices as symptoms of such inflation. In the late 1960s, for example, the Democrats benefited from the spending and left most of the problems to the Republicans. The Democrats enjoyed the drunken binge and the Republicans got the hangover. *Time* reports in its issue of November 16, 1970:

Nixon and his advisors, says one Administration economist, "discovered that inflation started slowing down after the economy slowed down. Now they may do the reverse: speed up the economy and let the inflation come afterward — after the 1972 elections."

So we have come full circle from the beginning of the Johnson inflation, through a half-hearted attempt at deflation — with the consequences and objectives described by Professor Galbraith — back to a new Johnson-style "stimulation." We are going to get a taste of the hair of the dog that bit us. If boom and bust is good enough for the Fabian Socialist Democrats, it is good enough for the Fabian Socialist Republicans. As Galbraith says, Mr.

Nixon has a Game Plan, and the "name of the game is socialism." It is to be financed and psychologically provoked by inflationary deficit and federal spending.

Lyndon Johnson could turn out to be a piker. L.B.J.'s 1967 Budget was \$158 billion, but Mr. Nixon's 1972 Budget might run \$230 billion — an increase of \$72 billion in five years. Richard Nixon will become the first trillion-dollar President soon after he is reelected in 1972. And L.B.J.'s deficits, once considered enormous, will by then be dwarfed by those of Mr. Nixon.

Before the 1968 election, Richard Nixon called inflation "the cruelist tax of all." He said "it quietly picks your pocket, steals your savings, robs your paycheck. To check inflation the government must cut down on unnecessary federal spending . . ." You see, he knows what it is all about, but he does it anyway. It's part of the Game Plan.

In 1969 alone, inflation robbed Americans of \$60 billion of their savings in banks and life insurance as the cost of living went up an official 6.1 percent during Mr. Nixon's first year in office. In March of 1970, the President told a news conference that his Administration's economic policies have "taken the fire out of inflation" and that he would steer the nation clear of such danger in the future. Actually, the Administration has killed prosperity, not inflation. Production is down, unemployment is up; but prices are again rising at an official rate (during 1970) of six percent. Even this official rate is loaded, the true rate being estimated by non-government economists at *ten percent*. This means that Americans have over the past two years paid for Mr. Nixon's socialist schemes with a hidden inflation tax amounting to \$120 billion!

Now, in order to cure a credit-created recession, the Administration is prepared to inflate still further. And the Federal Reserve Board is obviously willing to go along with the Game Plan. Board Chair-

man Arthur Burns has promised that "there will be enough money and credit to meet future needs, and that the orderly expansion of the economy will not be endangered by a lack of liquidity." He has also said he is willing to increase the money supply at a "temporarily excessive speed." In layman's language this means the printing presses are oiled and ready to roll.

Nixon Inflation will produce the same chaos as Johnson Inflation — there will just be *more* of it. Inflation is harmful to an economy under any circumstances, but if Mr. Nixon had really wanted to cure the Johnson Inflation and return to stability and prosperity he would have set a course in the opposite direction. The best way to beat inflation is to stop creating it, increase productivity, and produce your way out of it. This means drastically cutting government spending, balancing the Budget, and then cutting taxes to give businessmen incentives to produce and consumers money with which to buy more products and services. Instead, Mr. Nixon has instituted the economics of scarcity, as cited by Galbraith, expanded the Welfare State with its consequent boost in government spending, and increased taxes. This is the Game Plan. And, as Galbraith observes, "the name of the game is socialism."

In order to postpone the worst of the increases in the cost of living until after the 1972 election, the Administration will have to resort to "jawboning," "guidelines," and arm twisting. Ultimately, wage and price controls will be instituted as the socialist Game Plan nears the shot which signals its victory. If possible, such controls will be delayed until after the 1972 Presidential election. But should the cost of living get completely out of control, the President will not wait to order his wage and price controls. He already has this power. Congressman John Schmitz explained in his newsletter of August 12, 1970:

On the last day of July, Congress held an unusual Friday session to spend several hours in a most peculiar debate on a bill establishing new cost accounting standards for defense contracting, onto which had been tacked a "rider" empowering the President, by executive order, "to stabilize prices, rents, wages, interest rates, and salaries at levels not less than those prevailing on May 25, 1970" — the date the bill was introduced. This would authorize full price and wage controls.

After a day of bewildering maneuvers, the bill was finally passed by the astonishingly one-sided vote of 257 to 19, with six other Congressmen also "paired" against it. Thus only 25 members of the House registered their disapproval of price and wage controls.

Instead of vetoing the bill, Mr. Nixon signed it into law — "reluctantly," of course. It was more of what Galbraith calls "yielding to pressure." Congressman Schmitz saw the bill for what it is:

Price and wage controls will not work in a free country. But to a considerable extent they will work in a slave state like Communist Russia. If this is the only way we can think of to fight inflation, that could be its result

Certainly Galbraith thinks so. Wage controls, price controls, and money controls are really people controls — and that is what a socialist dictatorship is all about.

In December 1969, in a hurry to adjourn for Christmas, Congress had similarly passed what is called the Credit Control Bill — under almost clandestine circumstances closely paralleling those surrounding the establishment of the Federal Reserve System some fifty years

ago. Not one one-thousandth of one percent of the American people know anything about the existence, let alone the significance, of this blueprint for economic tyranny. Yet it is on the books, ready to be used whenever the Administration feels the time is ripe. Again, the President signed it "reluctantly." Congressman H.R. Gross informed his constituents:

During the past week, President Nixon has signed the legislation into law. He did so, "reluctantly," he said, asserting that such controls, if used, could "take the nation a long step toward a directly controlled economy and... can weaken the will for needed fiscal and financial discipline."

... I am deeply disappointed that President Nixon, recognizing the danger, did not have the courage to veto it.

The legislation provided that without the declaration of an emergency or any other kind of a declaration, President Nixon could turn over to the Federal Reserve, a privately operated financial institution, not only the absolute authority to fix interest rates, but the untrammelled power to fix by regulation all the "terms and conditions of any extension of credit."

It is almost impossible to believe, but the legislation provides that no citizen could lend another any amount of money unless the lender was either registered or licensed to do so. A violation of this or any other provision of the legislation would subject the lender to a year in jail and a \$1,000 fine. THIS IS THE STUFF OF WHICH DICTATORS ARE MADE.

Of course, socialism requires a dictator; and with Mr. Nixon, as Dr.

Galbraith reminds us, "socialism is the name of the game."*

Mr. Nixon's program of "re-inflation" to end what has been termed "stagflation" (economic stagnation accompanied by inflation) also has international economic implications. According to *Barron's Financial Weekly* for November 16, 1970, it "is apt to be the dollar's last hurrah."

The international monetary game has been rigged tighter than a new tennis racket by Rothschild-controlled central banks, bullion dealers, and mining interests in England, Germany, France, South

*There is a strong possibility that Professor Galbraith is angling to play a part in deliberately insuring the reelection of Richard Nixon in 1972 by helping to divide the Democrat Party. As nationally syndicated columnist John Chamberlain observes:

"... the so-called New Democrats, taking their cue from the new Galbraith book, *Who Needs The Democrats?*, are already busy sowing the dragons' teeth that will, as sure as sin, disrupt the Democratic convention of 1972 if the radicals in the party do not succeed in getting their way.

"An extremely significant symposium, engineered by the editors of the journal called *The New Democrat* (they happen to be Stephen Schlesinger, the son of Arthur Schlesinger, Jr., and Grier Raggio, a Mayor John Lindsay functionary in New York City), shows what the Democratic party faces.

"Addressing a letter to 30 prominent intellectuals, the Schlesinger-Raggio team posed this question: 'Do you believe the Democratic party is still capable of aggressively reforming itself by the 1972 convention, or do you believe that a fourth party is the only conceivable means of effecting change in 1972?'

"To this, 18 intellectuals gave their answers, and even those who do not favor going out into the wilderness to start a fourth party look with complaisance on the idea of using such a party as a prod to force a radical platform and candidates on the existing Democratic organization." (*Human Events*, October 31, 1970.)

This strategy may be the reason Galbraith wrote his article for *New York* magazine. It thus appeared in a journal limited almost exclusively to New York City, acting as a "transmission belt" to inform important camp followers that Richard Nixon is, indeed, the *Insiders'* boy. One wonders!

†Mr. Jacobsson is head of the International Monetary Fund.

Africa, and the United States. The financial ministers cooperate with the *Insiders* of international finance in rigging the world monetary situation. This means real trouble if the super-inflation planned by Mr. Nixon is not stopped. It can only augment the value of some \$40 billion in the hands of Europeans, who will of course seek to exchange dollars for gold. The situation might well get out of control. Europeans are already planning a gold-backed currency for a European economic bloc, which could be instituted if and when the U.S. cuts the dollar loose from gold for foreigners, as it has done to its own citizens.

This threat may be used to force acceptance of turning the International Monetary Fund (I.M.F.) into a world central bank controlling the money of all nations. The *Wall Street Journal* of September 15, 1970, reported that the former Chairman of the Federal Reserve Board, William McChesney Martin, gave a speech in Basel, Switzerland, on September 14, 1970, at a symposium sponsored by the Per Jacobsson Foundation,† entitled "World Central Bank: Essential Evolution." He proposed just such a central bank. What area of control could be more decisive than control of the world's money? World money control means world people control.

Meanwhile, unconfirmed reports persist that the United States is preparing a new money. *Myers' Finance Review* for November 6, 1970, states:

The rumors keep coming in. They are past the point where I can ignore them. Still I can't confirm them. The reports are these:

The U.S. Treasury has already printed up an enormous supply of new currency differing markedly from the present denominations. The report is that the new currency will be used internally in the U.S., and that all the old currency within the U.S.A. will be called in. The old

currency, as long as it continues to exist, will be used outside the U.S.A.

I have no inside way of knowing whether this is true. But for many months I have been receiving reports that the Treasury has been stocked with huge new color presses. I am inclined to lean toward the truth of the report, since in Canada we are already getting a fancy new currency. The \$20 bill looks like Disneyland. It is swiftly replacing all old \$20 bills. It gives one the impression of a kind of script. There has been no explanation of why we have replaced our old \$20 bills with these curiosities.

It seems to me that this internal U.S. currency would be no good outside the country. Not redeemable, it could not be converted into Euro-dollars. It would in itself be a most effective foreign exchange control. In order to get your money out of your banks to make foreign purchases, you would probably have to get a special licence from the government.

We may be heading not just for a devaluation but for a collapse of our money, and a new U.S. paper dollar in exchange for several old ones. The November 1970 report of international currency expert Franz Pick maintains: "The only open door will be to change the official gold value of the MINI-dollar or to exchange 3 or 4 present dollar bills for 1 new one."

What does the Nixon Game Plan mean? Many economists are predicting a super-boom (based on inflation rather than increased productivity) with the Dow Jones rising very high beginning sometime in the latter part of 1971 and extending through the 1972 election. These economists are predicting that by 1973 or 1974 the false boom will lead to economic collapse and a depression which will make 1929 seem like prosperity.

Should this happen — and the timetable is by no means fixed — it would bring on the cry that "capitalism has totally failed." Gigantic unemployment, particularly among Negroes, would lead to nationwide riots giving the appearance of a full-scale revolution. The general population would then be conditioned to demand a socialist dictatorship to end the economic and social chaos. And the Nixon Administration would prove most accommodating — "the familiar yielding to pressure," as Galbraith puts it.

If this is what is scheduled, Richard Nixon is merely following the Game Plan established for him by the *Insiders* who plucked him out of political oblivion after his loss of the governorship of California in 1962, brought him to New York, and financed and promoted his ascendancy to the Presidency. A Democrat Administration couldn't get away with it because the Congressional Republicans would expose the Game Plan and prevent it. Now, most of them remain silent, or silenced, in the name of "Party Unity."

Barron's Financial Weekly reports that well over a decade ago Malcolm Bryan, president of the Federal Reserve Bank of Atlanta, bluntly told an audience: "We should have the decency to say to the money saver, 'Hold still, Little Fish! All we intend is to gut you.'" In the end we shall all receive such treatment if what J.K. Galbraith is delighted to promote as Richard Nixon's Game Plan is not exposed and reversed.

There is now no effective way to hedge; no way to prevent serious personal losses by outguessing the *Insiders*; no way to play along and save a few dollars. Now we must fight or scuttle. If ever there was a time for devoted effort and hard work on the part of Conservatives and anti-Communists, this is that time. Knowing the opponents' Game Plan gives us a head start. But we had better *really* get to work on our educational campaign if we mean to defeat the *Insiders* executing that Plan. And get to work *now!* ■ ■