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What's Behind It

A SURVEY BY GARY R. HARDY REPRINTED FROM *THE JOHN BIRCH SOCIETY BULLETIN*, OCTOBER, 1975

The world is governed by very different personages from what is imagined by those who are not behind the scenes.

— Benjamin Disraeli

Undoubtedly, one of the major reasons for the already farreaching success of the Master Conspiracy in America is the failure of the public school system to provide a sound and classical education for our young people. By and large, students are not taught to ask penetrating questions or to study events in depth. They are required, however, to rote memorize certain carefully selected historical facts. And they are thoroughly imbued with the ideological bias of their instructors and textbooks as well. Like Pavlov's dogs, they have been conditioned to respond to the proper "trigger" words. This fact was reinforced for your writer with some emphasis by a recent experience.

Several weeks ago, two young college freshmen came into the American Opinion Bookstore that we maintain on our premises in Belmont. As I happened to be in the bookstore at that time, I was soon responding to their naive and emotional questions concerning the nature of the American system of government and the "supposed" evils of Communism. It was sad but interesting to observe their emotional response, right on cue, to certain words or phrases that were used in our conversation. Although they "knew" that Senator Joseph McCarthy and The John Birch Society and other "extreme rightists" were completely wrong in both their philosophy and methodology and were even guilty of smearing innocent people, they had absolutely no evidence to verify this claim. On the other hand, their assertion that Communism was just another economic theory and one that was possibly superior to our system of free enterprise

was equally emotional and just as unsubstantiated.

These students had never heard of the enormous brutality and the vicious suppression of basic God-given rights that are so characteristic of Communist regimes. They expressed serious doubt that a man of the caliber of Mao Tse-tung could have possibly been responsible for the ruthless murder of tens of millions of his fellow Chinese. Their ignorance of contemporary history from Versailles to Yalta to Helsinki was appalling, to say the least. And the only conspiracy that these students were familiar with was "Watergate." Indeed, they had been educated with deceptive superficialities rather than accurate substance. Like the denizens of Orwell's *1984*, these students had been carefully conditioned not to think for themselves.

But these collegians were by no means unique for this psychological conditioning has been going on in the elementary and high schools, colleges, and universities of America in varying degrees throughout most of the Twentieth Century. It was during this writer's senior year at one of the state universities in California that I came to see the dichotomy between true education and conditioning most clearly. One semester, I enrolled in four history courses.

Two of my professors were older gentlemen approaching retirement age. And both of these men were classical scholars in every sense of the term. They had respect for the culture, traditions, and religions of civilizations other than their own. They were open-minded and welcomed legitimate questions and discussion. In the highest scholastic tradition, the purpose of their classes was not only to impart knowledge but to teach their students to think and search and question. If either of these professors did not know an answer to

a particular question, he readily admitted the fact and enlisted the help of the would-be scholars in his class to research that subject. They shared a love and appreciation for the genius of Western Civilization, and they wanted to conserve its greatness. Needless to say, the classes of these pedagogues were always challenging and dynamic.

Conversely, the instructors of the two other history classes were leftist ideologists and not scholars at all. Completely arrogant in their manner and outlook, they would brook no questions concerning their pet hypotheses. No opportunity was overlooked by these mendacious mentors to repudiate religion, morality, and tradition. Their most vicious opprobrium, of course, was directed at anything remotely connected with Western Civilization. Testing in their classes was clearly designed only to elicit a rote repetition of the instructor's personal philosophy. Independent thought and inquiry were strictly proscribed. As a result, their classes were tedious and unchallenging.

One afternoon, your writer had an in-depth conversation with one of the older professors mentioned previously. During that conversation, I made observations similar to those above. This professor, who had been on the faculty of a number of major universities during his career, admitted that my remarks were all too accurate. He added that he did not know of any of his colleagues under the age of forty who were not strident advocates of leftist causes and movements. At every university with which he had been associated, the "liberals" on the faculty had always been well organized and had received rapid promotion, while the occasional handful of conservatives had always been on the defensive, never organized, and seldom promoted.

The entire point of the preceding

rather lengthy digression, of course, has been to buttress our initial point about how Americans are conditioned via their educational institutions to accept superficial explanations for current events and historical occurrences rather than to make an in-depth study for themselves. But the academy is not the only institution guilty of misdirection, as Mr. Welch has cogently observed in his statements at the beginning of this *Bulletin*.

Conspirators in the American government and the national news media have made sure that events ranging in nature from the sell-out of Southeast Asia, to race riots in the name of "Civil Rights," to the assassination of prominent political figures, to increasing crime and unemployment have been blamed on such alleged causative factors as inexorable historical forces, or spontaneous reactions to injustice, or deranged loners, or too many guns in circulation, or the exploitation of the economy by greedy businessmen, or some other similar buncombe. As a result, most patriotic Americans who know that something is seriously wrong with their country and has been for some time can neither identify the ailment with any accuracy nor isolate the responsible virus.

From its very inception, The John Birch Society has been completely dedicated to helping its members and, in turn, their friends, relatives, and acquaintances to understand and appreciate just what has been happening in America and why. And we have long maintained that it is impossible for anyone to comprehend the history of the past two centuries without being cognizant of the existence of a self-perpetuating Conspiracy that has influenced and shaped so many important events. It is only when full consideration is given to the fact that agents of this Conspiracy have gradually infiltrated the American government, the arts, theological seminaries and schools, the universities, and the news media, patiently working their way into high positions, that all of the treasonous activities of these institutions fall into place.

With that fact in mind, it is our intention to utilize the remaining pages of this article in an examination of the actual reasons for some of

the events currently taking place in America. The first noteworthy happening for our probing study is that malicious aberration known as "forced busing." It would be difficult to find another event either more misunderstood by the general public or more carefully designed to achieve quite a number of important goals desired by the *Insiders* of the Master Conspiracy.

For all the imposing sociological arguments notwithstanding, forced busing is clearly an integral part of the Communists' long-standing drive to create bitterness and strife between the races in America. Indeed, a necessarily brief review of the history of the so-called "Civil Rights" movement reveals that much of the strategy utilized in this program of racial agitation was initially laid down in 1927-28 by one Joseph Pogany, who a decade earlier had been a henchman in the incredibly cruel but short-lived Communist dictatorship of Bela Kun in Hungary. Following the collapse of that brutal regime, Pogany escaped to Moscow. In 1922, he was sent to this country to assume command of the American comrades.

From approximately 1927 through the early 1950's, the Communists utilized basically the same strategic methodology in their program of racial disturbance and division. In black neighborhoods throughout the country, they were responsible for the mass distribution of inflammatory tracts which cited real and imaginary injustices as well as the necessity of ameliorative action, including violent revolution. Also, the comrades in 1935 produced a polemic entitled *The Negroes in a Soviet America*, which urged the black people to join the Communist Party and work for the creation of a Negro Soviet Republic that would be established in the geographical area of the United States presently occupied by the states of Virginia, South Carolina, Georgia, Alabama, Louisiana, Arkansas, and Tennessee. The Black Muslims and other revolutionary groups, of course, continue to push this particular line. Other weapons used by the Communists in their endeavors to enlist as many Negroes as possible included the nomination of black party members as their candidates for national office and the technique still in vogue

of turning selected cases of Negroes charged with serious felonies in the southern states into *causes célèbres*.

That all this agitation only succeeded in recruiting a relatively small number of black comrades and in fomenting several riots was due to the natural patriotism and common sense of a substantial majority of the Negro people in America. By the early 1950's, however, the Communists and the *Insiders* above them had already devised an innovative new step in their program, which for outright cunning and potential for success far surpassed any previous contrivance.

The scene for Act One of this new advance was set on May 17, 1954, when the United States Supreme Court rendered its revolutionary decision in *Brown v. Board of Education of Topeka, Kansas*. This incredible misconstruction of the clear intention of the framers of the U.S. Constitution, and even of the conspirators who formulated the Fourteenth Amendment by which this legal conclusion was ever so tenuously justified, as well as of all other legal precedents, opened the door for the federal government to become involved in public education. The Brown decision, which was written by *Insider* Earl Warren, was in fact based upon a book entitled *An American Dilemma: The Negro Problem in Modern Democracy* by the notorious Swedish Communist Gunnar Myrdal.

During the subsequent two decades, this legal opinion, along with the "Civil Rights" legislation passed by the Congress, has been used to provide a "lawful" excuse for the government to become involved increasingly in almost every aspect of public education as well as many other areas of human relations. Centralized control of the educational process is essential, of course, in any dictatorship.

The manifest purpose of Act Two was the providing of the noisy street-level catalyst needed as a pretext for all the activities of the American government in the name of "Civil Rights"; and the major player in this particular act, Martin Luther King, was well prepared for his role by his Communist tutors.

King's first major performance was given during the bus boycott in Montgomery, Alabama, which began in December of 1955. As all of you good

readers are well aware, the *Insider* controlled news media began with that very incident to build up the prestige and stature of Martin Luther King in every possible way, while simultaneously doing everything possible to deceive the American public about his repugnant personality and real background.

The ultimate purpose of all of this glorification of King, of course, was to make it appear to the public at large, and more especially to the Negro people, that he was the most important black figure in America and their only effective leader. This was in full accord with the Communist strategy of replacing legitimate leaders with their well-chosen Judas goats.

Dr. King succeeded very well indeed in his task. In many cases, he was responsible for undermining the influence of patriotic Negro leaders who had previously been able to withstand the Communist propaganda barrage. These leaders had encouraged the black citizens of the United States to realize that the only effective road to greater personal well-being and material prosperity lay through the acquisition of a sound education and personal property and the development of industrial productivity. But though such advice was in complete harmony with history and economics, it was diametrically opposed to Communist goals.

For the conspiratorial plan was to convince a large portion of the American Negro population that the only reasons members of their race possessed less personal wealth than members of the white race were racial discrimination and repression by whites. Also, black citizens were to be convinced that hard work and industrial achievement were not solutions to this injustice. They were to be assured that amelioration could come only from the federal government and that the federal government would not act until prodded into doing so by street demonstrations, riots, and other forms of resistance.

Martin Luther King was successful in precipitating violent resistance throughout the country. And conspirators in Congress, following the script, used this violence as an excuse to introduce legislation giving the federal government increasing control over such diverse matters as educa-

tion, housing, public accommodations, and even the personnel policies of private business. But this Communist perfidy did not stop with the discouragement of the legitimate aspirations of the Negro people and the use of gullible blacks as cannon fodder in their revolutionary enterprises. For the Communists actually worked behind the scenes to block the development of Negro business and industry so that they could continue to point to American blacks as a down-trodden race.

The "Civil Rights" movement soon became one of the most effective vehicles ever used by the Conspiracy in its drive to achieve totalitarian government in America. And there is every reason to believe that this particular gambit would have continued to be extremely useful in this drive had it not been for the very efficient efforts of members of The John Birch Society to check its progress and reveal the hands behind it. Using the proven techniques of literature distribution, speech and film forum sponsorship, letter-writing campaigns, and extensive personal contacts, our members were able to create sufficient understanding of this stratagem to nullify its present value to the Conspiracy and to cause a hiatus in its full implementation. In addition, there are sound reasons for believing that this exposure motivated the *Insiders* to martyrize Martin Luther King, who was fast losing his credibility among both black and white Americans due to a very courageous campaign conducted by several of the fine Negro speakers associated with our Speakers Bureau.

During this campaign, we frequently corrected, with full documentation, the vicious falsehoods of the mass media concerning the economic and living conditions of the blacks in the United States. In fact, if we consider, strictly for the purposes of objective comparison of course, that the twenty-five million blacks in the United States today constitute a separate nation, we will find that this group has the second highest standard of living of any "nation" on earth, excelled in that respect only by the white people of our country.

Before all of you good readers question the relevance of our review of the "Civil Rights" movement, let

us assure you that forced busing is most definitely a contemporary extension of exactly the same conspiratorial plan to divide the races and increase the size, reach, and power of the federal government. With some of the history of this scheme in mind, let us now examine the actual purposes of forced busing.

Indeed, in actual potential for achieving outright Communist aims, forced busing certainly rivals the "Civil Rights" movement. In Boston, for instance, where over 26,000 students are being bused to 162 schools, the only segregation ever practiced has been through the choice of the races themselves. Yet the federal courts have repeatedly told Boston's black community that the neighborhood schools, which have existed, in most cases, for many years in naturally segregated areas of the city, were established by whites for the purpose of denying their black fellow citizens a sound education and equal opportunity under the law — as if the racial composition of a classroom determined the quality of education. These judicial pronouncements have helped, of course, only to emphasize for black citizens the concept that whites are guilty of vicious racial suppression.

On the other hand, white parents, not understanding what is behind forced busing and naturally angered at having their children bused miles away from their homes, have unfortunately fallen into the Communist trap and put all the onus for this situation upon their black neighbors. As a result, racial tension has greatly increased in almost every community where forced busing has been implemented.

Forced busing is designed to condition parents in communities throughout the nation to accept increasing governmental control of their children and the entire process of education by bureaucrats in Washington, D.C. It is also an obvious attempt to bring the American people to regard as completely proper the totally unprecedented take-over of local institutions by federal judges and the implementation of the judges' edicts by federal marshals and troops in their city streets and the consequent suppression of citizens' basic constitutional rights. Forced busing has in-

augurated a system of government in many communities which is much more compatible with a dictatorship than with a constitutional republic.

The Communists, of course, welcome racial division and hatred. Their purposes are well served when support for or opposition to forced busing brings conflicting groups of citizens into the streets to demonstrate their feelings. Such demonstrations only harden opinions held a priori, increase ill will, and provide additional justification for intrusion by the federal government. Exposure of those behind the forced busing program, and just what their actual purposes are, is the only opposition really feared by the Communists. Just as in the battle against the fraudulent "Civil Rights" segment of this conspiratorial drive, it is the time-tested educational techniques of The John Birch Society that offer the most effective means of stopping this entire program.

The foregoing examination of forced busing must suffice for the present as we transfer our attention to another concern of citizens all over America — namely, the rapidly spiraling crime rate. For as we shall see, a plenitude of conspiratorial hands and purposes are involved in this crucial area.

At the outset, let us readily agree that there are legitimate reasons for the great public concern about crime revealed in several recent opinion polls. Statistics accumulated by the Federal Bureau of Investigation indicate that during 1974 the numbers of serious criminal offenses, including murder, forcible rape, robbery, aggravated assault, burglary, larceny, and auto theft, increased by 17 percent over the preceding year. This was the biggest jump in crime in any one year since the FBI first began to collect nationwide crime data in 1930.

One very alarming aspect of this burgeoning of criminal activity is that it is not confined to one economic class or localized in any specific type of community. Available data indicate that the crime rate for women in the United States has risen some three times faster than it has for men during the past decade. The number of women arrested and charged with criminal activities, including robbery, embezzlement, larceny, and

burglary, has increased between 150 and 300 percent during this period. Crimes by juveniles have also skyrocketed. That these antisocial pursuits are not restricted to urban areas is made evident by the fact that the crime rate also rose 20 percent in suburban areas last year and 21 percent in rural areas.

Indications are that this menacing trend is continuing apace in 1975. In the city of Miami, Florida, for instance, crime is reported to have increased by more than 52 percent during the first two months of this year. Although the *Insiders* and Communists who have infiltrated the criminal justice system are still attempting to attribute the spiraling crime rate to unemployment and other social and economic considerations, including the private ownership of firearms, an increasing number of honest policemen, judges, and correctional officials have begun to realize that we are now reaping the whirlwind so carefully sown over many decades by these meddling conspirators.

By means of an intensive propaganda campaign, involving motion pictures, popular magazines, highly-touted books, college courses, textbooks, and even government commissions, the American people have been indoctrinated with the concept that it is inhumane to exact retribution for criminal offenses. The acceptance of this view has led to a situation in which most of the traditional deterrents to crime are no longer utilized. More and more, perpetrators of serious offenses are not incarcerated but put on probation, as the following quotation from *U.S. News & World Report* makes clear:

"Criminals are not being put into jail," said Police Commissioner Joseph O'Neill of Philadelphia. "If they are found guilty, they are put on probation. Repeat offenders are responsible for most of the major crime."

When criminals are imprisoned, in many cases they are sent to institutions resembling country clubs. Some penitentiaries now have removed all bars and gates. The only locks on doors are to guarantee the prisoners' own privacy. Uniforms and productive work are presently passé; but

swimming, tennis, fishing, and golf are encouraged. It is no wonder that the criminal recidivism rate in America is running at 80 percent. To be sure, we most certainly are not advocating a return to brutal treatment for felons; but we do question whether it is just retribution for those individuals who have violated the rights of law-abiding citizens to be sent to a country club environment at the expense of hard-working taxpayers.

Corrections "reformers," ostensibly worried about the high national rate of recidivism, have advocated still more modernization of prison facilities. They have recently called for such innovations as coeducational prisons, conjugal visits for prisoners, pay for prisoners, and even the hiring of more women and minority guards to relieve tension between guards and convicts.

In fact, so many things are being done to promote crime in the name of justice that it would take a book-length monograph to catalogue them all. But there are several other causative factors that deserve at least a cursory mention.

It is almost axiomatic in law enforcement circles that the motivation for a large portion of the thefts and robberies of personal property and for many acts of prostitution is directly related to drug addiction. As users become increasingly addicted to hard narcotics, the expense for the maintenance of their "habit" also escalates; and to obtain the needed funds, these users turn to crime. This tragic process becomes all the more relevant to our study when we consider that Red China is the largest producer of opium-derived narcotics in the entire world. The sale of these narcotics undoubtedly produces a tremendous profit for the Communist regime on mainland China; but the primary purpose of this deadly production is far more nefarious, for the International Communist Conspiracy uses narcotics as a weapon of assault in its program to destroy our free American society. Many young men and women with great potential who have listened to the apostles of hedonism, found so frequently in the classrooms of our universities and in the pulpits of our churches and synagogues, have had their lives destroyed by drugs. And, as these young folks have turned to crime, their activities

have caused many law-abiding citizens to petition their representatives in Congress for protection from assault and theft.

Edward M. Davis, the courageous Chief of Police in Los Angeles, appearing on the *Meet The Press* television program on August 10, 1975, scored the adoption of the non-value system of hedonism by parents as another major cause of crime. He observed that "swinging mothers who decide to go their sexual way are going to produce a batch of criminals that is going to be unparalleled in the history of this country. I think that the number one emphasis, the number one solution to crime is the proper kind of a home culture. After that it is the proper kind of school culture."

As we have proven in many books and articles, the origination of the philosophy of situational ethics and the attack on the Judeo-Christian moral code in the areas of education, religion, the media, and the arts almost invariably can be traced directly to *Insiders* or actual Communists who had penetrated those institutions for that very purpose.

Aside from Watergate, the only other "conspiracy" ever discussed with the American people by the opinion molders in the fourth estate is the one behind organized crime. These dramatic pundits of the managed news are almost schizophrenic when they attempt to deal with the word "conspiracy." On one hand, they assure us that it is perfectly logical to accept the existence of a "conspiracy" among gangsters that is responsible for much of the crime in our cities. But almost in the same breath, they insist that any person who so much as suspects that there may be criminals in government and other institutions who would work together for the purpose of seizing power, wealth, and influence is guilty of the most severe mental aberration. And the pundits of the media are careful never to mention any of the famous and influential conspiratorial enterprises recorded in the pages of history.

Although it is a subject still in need of much additional research, there is growing evidence of association and collaboration of both the *Insiders* and participants in the Communist arm of the Master Conspiracy

with members of the upper echelons of organized crime. Such association is of course mutually beneficial. Organized crime benefits by receiving substantial immunity from serious governmental inquiry into its illegal and lucrative rackets. The benefits to the Master Conspiracy are basically twofold. First, organized crime helps to encourage on a massive scale every illicit and debilitating appetite and then provides — at a price — the means of satiating it, which, in turn, promotes an increase in crime and undermines free society. Second, organized crime serves as a tailor-made diversion to distract Americans from an awareness of the much greater and far more dangerous Conspiracy. Political corruption and the distribution of narcotics and pornographic materials can be blamed in total on the *Mafia*. Even though the *Insiders* promote these same deadly activities behind the scenes for more sinister reasons, it is organized crime that receives public attention and criticism.

In the preceding paragraphs, we have discussed the national crime problem and some of its major causes and have hinted at a few of the conspiratorial purposes behind it. But we have left until this point a consideration of the essential rationale behind the promotion of crime by the Conspiracy. For without question, all that we have just described has been done to bring about the consolidation of all police power in the country and to justify the creation of a national police force.

Citizens deeply concerned about the escalating crime rate have demanded remedial action by their elected officials. Though constitutionally prohibited from interfering in any way with the enforcement of local and state laws, Congress nevertheless opened the door to outright federal control of local police departments by establishing the Office of Law Enforcement Assistance in 1965. Three years later, this Office was converted into the Law Enforcement Assistance Administration (LEAA), and money was appropriated to fund projects of local police and sheriffs' departments. From a relatively small beginning, the LEAA has now grown until it grants billions of dollars to law enforcement agencies all over the country.

Now that many of these agencies have become dependent upon LEAA funding for even operational purposes, the administrators at LEAA have issued increasingly stringent requirements as a condition for the reception of this money. That these regulations are for the purpose of bringing about the consolidation of local police departments and the establishment of a national police force can certainly be ascertained by a careful reading. Top administrators of the LEAA have publicly decried the existence of the large number of police departments in the country and referred to them as being "ungovernable." And they have warned that the only possible solution to the high crime rate may be the creation of a national police force.

LEAA funds have also been used to finance the *Insiders'* concurrent campaign to disarm every law-abiding citizen. Before any totalitarian government could be effectively inaugurated in the United States, police power would have to be nationalized and the ability of patriotic citizens to resist this dictatorship eliminated by the confiscation of their firearms. The promotion of crime and the advocacy of gun control make sense *only* when we consider the goals, methods, and purposes of the Conspiracy.

Patriotic Americans who are not knowledgeable about the Conspiracy are almost constantly confused about national events. They consistently question the support of seemingly "foolish" causes by some of their leaders. These good folks could add much-needed additional strength to the Americanist cause if they knew what was really happening.

Let us for a moment reflect upon what this additional strength could mean in stopping one of the major programs of the Conspiracy. We will not elaborate on the background of this particular program because of the great amount of information that we have presented on this subject in recent issues of the *Bulletin*.

As you good readers are well aware, the so-called "energy crisis" is completely fraudulent. If American business and industry were allowed to develop available sources of energy, they could produce sufficient fuel to run our country for many centuries. But the *Insiders* intend to use the

artificially created fuel shortage ultimately to eliminate all means of private transportation and to force everyone except the ruling Commissars to use public transportation, which can be easily watched and controlled. The control of population movement is an essential element of dictatorship. If enough of our fellow citizens understood as well as do the members of

The John Birch Society what is behind the phony fuel crisis, the resultant public protest would be more than sufficient to defeat this insidious contrivance.

Our challenge, therefore, is clear. We must become and stay informed concerning the goals and methods of the Master Conspiracy. We cannot afford to be deceived about what is

happening in our country. Most important, however, we must make sure that sufficient numbers of our fellow citizens come — and rapidly — to understand *what's behind it*.

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Roosevelt and the Corporate Socialists

A BOOK REVIEW BY H.C. GORDON REPRINTED FROM *HUMAN EVENTS*, WASHINGTON, OCTOBER 11, 1975

Was Franklin Roosevelt really the "lackey of Wall Street" as the *Daily Worker* dubbed him in 1933? Incredibly enough, he may have been precisely that, according to a recent piece of historical revisionism by economist Antony Sutton.

In *Wall Street and FDR**, Mr. Sutton has produced a startling, timely, and penetrating inquiry into the real nature of the New Deal and its founder. Meticulously documented, it sharply challenges many conventional assumptions about Roosevelt and his era, and offers numerous insights into the whole problem of federal regulation.

What Mr. Sutton has done has been to probe deeply into Roosevelt's ties to the Wall Street establishment, an aspect of his career which sympathetic biographers have generally ignored or glossed over. Nevertheless, on examination of the evidence presented, it is clear that FDR was not only intimately involved with the most powerful corporate interests of the period, but that the New Deal itself was far more their conception than his.

From the beginning, the Wall Street tycoons properly regarded Roosevelt as one of their own (more so even than Herbert Hoover), who could be trusted to keep their best interests at heart. After all, during the decade of the '20s (between his unsuccessful campaign for Vice President and his election as governor of New York) he had himself been a "Wall Streeter *par excellence*" with 11 corporate directorships, two law partnerships, and the presidency of a leading trade association to his credit. Furthermore, during those same years, he had been quick to exploit both his family connections and the political influence he had acquired as assistant secretary of the Navy to promote a number of dubious financial ventures.

Secondly, his activities during those years reveal that he had enthusiastically embraced what was then the prevailing philosophy of Wall Street; a philosophy that Mr. Sutton contends was not laissez-faire capitalism but something entirely opposed to it.

According to Mr. Sutton, the nation's financial elite had repudiated laissez-faire long before Roosevelt arrived on the scene. Even before the turn of the century, the chief concern of Rockefeller, Morgan and the other "robber barons"—who had profited so enormously from non-interventionism—was not how to resist encroachment by the government's police power, but how to use that power to secure all they had gained. Specifically, what they envisioned was a planned economy with themselves as the plan-

ners—in effect, "corporate socialism" or "putting society to work for Wall Street."

Thus, notes Sutton, it was not uncommon for "progressive" business leaders during the early part of this century to argue in the most Socialistic terms about the need to replace the "wasteful" and "destructive" competition of the free market with a more "efficient" and "equitable" system of planning. Nor did these individuals lack opportunities to put their ideas into practice.

The War Industries Board, which Woodrow Wilson invited Bernard Baruch to set up during World War I, was dominated by the corporate Socialists, and they were the prime moving force behind the drive to create powerful and anticompetitive trade associations during the 1920s. Even the Administration of Herbert Hoover, popularly regarded as the last stand of laissez-faire, reveals the stamp of the corporate Socialists through its increasingly interventionist economic policies.

Viewed in this light, the New Deal, with its National Recovery Administration and other agencies, may be properly seen not as the radical departure from unrestricted capitalism that it is commonly represented to have been, but as the logical extension of a Socialist trend that had been building since the early 1900s.

What, for example, could have been more ideally suited to the monopolistic designs of the corporate Socialists than the NRA's "codes of fair competition"—codes which they themselves were to be primarily responsible for drafting? In fact, Mr. Sutton reveals the NRA as a whole to have been the brain child of Roosevelt's Wall Street supporters (Mr. Baruch again, among others), who then proceeded to dominate it as completely as they had dominated the old War Industries Board.

Of course, the NRA was eventually declared unconstitutional, and today even the New Deal's apologists concede that its effect was largely to favor the interests of big business over those of the small competitors. Nevertheless, the fact that that was the intention from the beginning remains largely unrecognized.

Corporate socialism, meanwhile, is still very much with us. It survives in the form of the special favors which giant corporations continue to obtain from Washington: restrictive tariffs, protective regulation, massive subsidies, and other varieties of "welfare for the rich." Indeed, it is more than a little ironic—at a time when critics of the federal regulatory agencies run the ideological gamut from Ralph Nader to Ronald Reagan—that the agencies' staunchest defenders should be the very industries they are presumed to regulate.

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**Wall Street and FDR* by Anthony C. Sutton: Arlington House, N.Y.

There is much talk today about the need to eliminate the abuses of federal regulation from our economy. How successful we shall be in achieving this objective will depend to a very great extent on how effectively we are able to perceive the real nature of the problem. Mr. Sutton, by his scholarship, insight, and thoughtful libertarian analysis, has contributed a useful historical perspective and a large measure of understanding to aid us in the task.

(End of Book Review)

The following excerpt of a speech by the late C. H. Douglas on March 18, 1933, and a note published in *The Social Crediter* of July 17, 1948, clearly anticipate Anthony Sutton's findings — the former by forty years. Being based on insight and analysis, their confirmation by Mr. Sutton's research gives them heightened importance. It is vital to grasp that Finance and Communism are complementary techniques of *centralisation* of power:—

. . . . It is elemental to say that no progress towards a sane world is possible while the symptoms of its malaise are subject to persistent misdirection. This is the justification for the short examination that I wish to put before you of what is going on in the United States and on the Continent at the present time, an examination which makes no claim to consideration other than that it is not made for any purpose other than to represent the facts as I see them.

The reason that the United States, in my opinion, should properly take priority in this examination is quite a simple one. From the physical or factual point of view, the United States represents the furthest development of our modern power civilisation. Simply considered from this point of view, and taking into consideration the lack of complicating factors presented by a continental organisation, containing within its political boundaries almost every raw material and natural resource required for the purposes of the highest material civilisation, we should expect any problems presented by a divergence between facts, and the presentation of the facts, to reach their maximum at this point, and we do, in fact, find exactly what we expect to find. This divergence, the paradox of poverty amidst plenty, has at this time reached such an intolerable stage that action of some sort to deal with the situation was plainly imperative. On March 4, Mr. Roosevelt took office as titular head of a population of 130,000,000 in effective control of a continent stretching from the Atlantic to the Pacific, and from sub-Arctic to sub-Tropical Latitudes, and announced his intention of grappling with the situation without delay. His inaugural speech, so far as its denunciation of financial agencies was concerned, might have been made by anyone in this room, and must, I have no doubt, raised hopes in the minds of millions of his listeners all over the world that the doom of oppressive finance had been sounded, and that their champion was speaking to them. I wish I could believe it.

No one who has followed as closely as, no doubt, most of you here in this room have followed, the growth of criticism directed against the banking and financial system can fail to realise that had Mr. Roosevelt not also attacked it, he would have been branded at once in the public eye either as hopelessly ignorant and unresponsive to public opinion or as determined to stifle criticism, and the results might have been immediately disastrous. So far from shirking the subject, however, he delivered an attack on bankers which, in violence, probably exceeded any attack which has ever been made by so responsible an official at any time, anywhere. But I should like you to note most particularly that the attack was made upon persons! It was not made upon a system. And further, that the concrete steps which were made almost at the

moment of his taking office, and which had obviously been prepared in advance, were all of them steps calculated to strengthen the banking and financial system as such. The problem, as stated by Mr. Roosevelt, before the world, was a problem of relieving unemployment, and, as everyone in this room knows, that is not the problem before civilisation at the present time. To descend from the sublime to the ridiculous, I notice that Mr. Lloyd George has emerged from retirement to make what I can only describe as a Vaudeville appearance, in which he has pointed out, firstly, that the United States has just emerged from an administrative control by financiers to the leadership of a man who is free of control from financiers, and, in another speech, that the provision of work is a great moral issue to which the Governments of the world must devote their attention. It seems to me that this was all that was required to round off the picture. I find it entirely beyond my powers of credulity to believe that Mr. Lloyd George is unaware of the ring of financiers who surround Mr. Roosevelt, and without whom, no doubt, he would never have been returned to office.

It is quite clear from these various pronouncements that the main lines of United States action in the present crisis are, firstly, to remodel the American Banking System on the British branch banking system so as further to consolidate the monopoly of credit in a few hands, and, secondly, by means of immense schemes of public works financed by loan credit issued by this strengthened banking system to induce both an increase of employment and a rise in commodity prices. The public debt of the United States will be enormously increased at the expense of the private debt held by the industrialists, and industrialists will be reduced to a position which will make it impossible for them to form a menace to the bankers such as they undoubtedly offered in 1929. At any rate, in theory, this will result in raising taxation of various kinds to fantastic heights, but there is nothing in the physical situation to prevent the colossal overheads being scaled down periodically while leaving the banks in supreme control of the situation. There is one factor which seems to me not to be provided for in this scheme, and that is the impossibility of continuously employing the population of the United States without sabotage on a scale which can only be provided by war

It is becoming daily more obvious that the proximate agency for the suppression of vital information (which is not to say that it is the ultimate power) is Freemasonry.

While the financial-technical aspect of Social Credit was heartily disliked and ridiculed in influential quarters, it is possible to recognise in retrospect a well-known phenomenon—that an incomplete case always affords an opportunity to those who are in possession of one more comprehensive. Quite inevitably and logically, the financial-technical aspect of Social Credit was an attack on bankers, although a carefully premised attack.

Anyone who heard the late, and much belauded President of the United States deliver his Inaugural Address in 1933 when the economic life of the North American continent was paralysed, must be pardoned for believing, as so many Social Crediters did believe, that here was Social Credit enthroned in the seats of the mighty. No attack ever made in this country was half so virulent as that upon *bankers* (neither the system nor the money power) by the late Franklin Delano Roosevelt.

The closest attention was directed to this speech by qualified Social Crediters, and the conclusion was reached that it was a centralising speech—a conclusion soon confirmed by everything connected with the New Deal, including its *personnel*. The Buxton

speech and policy was the outcome of this conclusion. But the point we have in mind at the moment is that some—quite a large number—of bankers were thrown to the wolves of an unrestricted and condemnatory publicity. Banking, *as such*, was clearly not the Ark of the Covenant, and since hearing Mr. Roosevelt we have still more closely defined our criticism of banks. Centralisation was the signpost, and at the centre would be found the Centralisers.

Let us consider the views of Mr. Douglas Reed, whom we believe to be both well-informed and courageous. Writing in *London Tidings* of September 14, 1946, he observes "Is there an organised power in the world which pursues some world-wide aim and is powerful enough to promote, manipulate and prolong wars between nations and in the pursuit of this aim? Is there a super-national conspiracy, directed against the freedom of *all* peoples, which uses such men as Hitler as its servants? The strongest evidence in favour of this theory seems to us to be that there is a powerful ban, in practice, on the very suggestion; the mention of the word conspiracy is taboo. Politicians and newspapers shun it. Yet we have had abundant recent proofs that conspiracy is a very real and living thing in the world. The essence of conspiracy is secrecy. To our mind, that is why all attempts to penetrate this secrecy are so severely repressed. But they are also the proof that powerful conspiracy exists; they would not otherwise be necessary".

Ideas, and even whole paragraphs (but never those relating to a conspiracy) which first see the light in *The Social Crediter* can be read in increasing numbers in various reviews and periodicals; and with the exception of journals carefully branded as crankish (*i.e.*, courageous), almost invariably without acknowledgment. So far from objecting to this, we welcome it; but that does not alter the confirmation the procedure gives to Mr. Reed's thesis, which is also ours.

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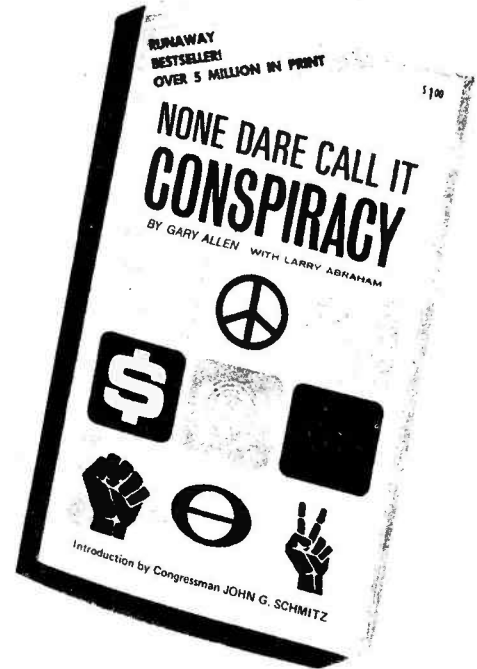
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