THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

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Now or Never

WHAT is "The Cold War"? - The Cold War is the war described in our article, "NOW or NEVER".

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The apparent reduction of "tension" in which the world is said to be rejoicing is NOT the end of the brief respite foreseen by Douglas, during which "those who know what to do and how to do it" are given their opportunity.

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The initial response of readers of this journal to our appeal has been good - especially from among those who have already played their part in keeping intact a genuine policy of Social Credit, uncorrupted and undiluted. Seeking further and wider support, we REPEAT: -

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"This journal will support any group adopting the NOW or NEVER policy and will communicate advice and information. It will not organise or countenance a 'Movement'.

"DECENTRALISATION IS THE KEY.

"IT IS PROPOSED THAT AUTONOMOUS GROUPS TO IMPLEMENT THIS INTENTION BE FORMED AT ANY AND EVERY LEVEL TO TAKE SUCH ACTION AS MAY BE POSSIBLE AND APPROPRIATE IN THE CIRCUMSTANCES OF EACH GROUP"

Was it a Mistake ?

We have heard it suggested this week that, as Russia and America appear to be activated by one single directing conspiracy, so "the Cuba business" is just a "put-up job to keep us all on our toes and pull the wool over our eyes"! This was before the Communist success in getting it stated that Cuba would be left alone had been made to appear as a "free-world" success in getting Krushchev to dismantle his nuclear base there.

The issue of the *United States News and World Report* dated October 8, 1962, carries a verbatim report of an "exclusive interview" with the former Ambassador to Cuba, Mr. Earl E. T. Smith, who held office there from July 1957 until Castro took over in January 1959.

In the course of this interview Mr. Smith spoke of a book he has just written entitled "The Fourth Floor"*, in which he gives an account of the Castro-Communist revolution and tries to establish the fact that it need never have occurred.

The term "the fourth floor" refers to the men who work on that floor of the State Department - "Career men of the lower echelon of the State Department who deal with Latin-American policies".

According to this account, it was these men who formed, by their action from day to day, the U.S. foreign policy (Mr.

*"*The Fourth Floor*" will be published by Random House in November and the proceeds of the book will be given to the relief of Cuban exiles in the United States.

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From Week to Week

If we knew for certain, and could publish, what it is that Mr. Macmillan knows, but dares not disclose, the way before us, immensely difficult as it must be, might be a little plainer. What is called for now is courage in those who do know—we do not believe the secret is exclusively Mr. Macmillan's—to make the the essential disclosures.

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A taste of 'World Government' has been provided by the events in Mississippi. As a late Archbishop of Canterbury put it, "overwhelming sanctions behind the Law". Mr. Kennedy, probably more as agent than principal, provided them in Mississippi. The Law, in this case, has been made by the U.S. Supreme Court. When, in due course, the World Court makes an Order against the British Regional Administration, the World Police Force (or Federal marshalls, or whatever) will have precedent for enforcing compliance. International Angels enforcing International Justice, in fact.

In the meantime, we trust that the American people now realise that the real Government in the U.S.A. treats them exactly as the Russians treated the Hungarians.

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The immense scale of the two world wars demonstrated the force behind the idea of World Dominion. Does anyone think that that force disappears with the passing of the Kaiser or of Hitler or Stalin? They are, or were, merely carried on the crest of the wave. As Douglas once remarked, the real directors behind war have a continuing policy, and care no more for the immolation of the peoples of a continent than for the death of a sparrow. The wars, the crushing of the Hungarians, the chaos in the Congo, the rape of Katanga, *thousands* of Federal troops in Mississippi—all these things are incidents in the pursuit of centralisation of power everywhere, in order that in the end power may be wholly centralised and wielded unchallenged by those who at present control International Finance.

Now or Never Campaign

DONATIONS. A reader has suggested that donors with reasons for absolute anonymity might prefer to send cash (as opposed to cheques) via the 'Transfer Credit' method operated by the Joint Stock Banks. The charge for this service is, at the most, 6d. Our account is that of THE SOCIAL CREDIT SECRETARIAT (payee) 166, Westminster Bank Ltd., Camden High Street, London, N.W.1.

WAS IT A MISTAKE ?

(*continued from page* 1)

Earl Smith here uses the word "policies") towards Cuba. In the opinion of Mr. Earl Smith, these men wished to support the Cuban revolution on account of their belief that it was a "mass revolution, a democratic revolution" (!) and they were therefore prepared to gamble on "a leftist dictator" in order to have it succeed. He thinks the motivation of these men must be regarded as "unselfish" - but adds, "However, we cannot assume that, in a changing world, the United States can support revolutionary groups which call themselves democratic, but are in reality Marxist-oriented. If it is our fixed policy to support democratic revolutions, then it is our obligation to intervene to assure that they are democratic and not Communist. Otherwise, we defeat our own idealistic purposes" . . . "The 26th of July Movement [the Castro movement], did not, in itself, start out as a communist movement, but it was naïve to believe that the Communists would not apply the blotting paper to the movement as it progressed - in other words, that they would sop it up and eventually take it over". (The process so aptly described has been noted elsewhere and is unfortunately anticipated in other areas of the globe).

Mr. Earl Smith said that they were unable to establish the fact that Castro started out as a Communist, although he was a terrorist with socialist beliefs, but stated that it was common knowledge that of his chief lieutenants, "Ché" Guevara had been an active Communist in Guatemala and Mexico and Raúl Castro had been active in the international student movement. The United States Ambassadors to Cuba, Mexico and probably others, had sent reports to the State Department of Fidel Castro's Communist affiliations. Mr. Earl Smith, anxious to make his point clear, said, "Let me just read to you what I have said: 'It cannot be maintained that the government of the United States was unaware that Raúl Castro, 'Ché' Guevara - the top men of the 26th of July Movement - are Communists, affiliated with international Communism. There was ample evidence to that effect'." He goes on to say that it was therefore impossible that the "fourth floor" of the State Department did not know of Fidel Castro's affiliations. It was also, he stated, impossible that the C.I.A. (Central Intelligence Agency) did not know of that affiliation. "The Assistant Secretary of State for Latin-American affairs in 1958 had been stationed in Bogotá when Fidel Castro, at the age of 21, was an active organiser of Communist insurrection".

The interviewer then asked if Americans were allowed to help Castro despite this knowledge. The former Ambassador replied that one of the ways in which the United States aided Castro's movement was by the failure to enforce the neutrality laws: there was no effective prohibition of the shipment of money, arms, ammunition nor people from the United States

to the Sierra Maestra nor to the Sierra del Cristal where Raúl Castro and Fidel Castro were. People, arms and money reached the hills of Cuba. The 26th of July Movement claimed that only about ten per cent of the arms and ammunition which left the United States was stopped - about ninety per cent got through. In Mr. Earl Smith's view this reluctance to enforce the neutrality laws was due to the interest of the "fourth floor" in seeing the success of the revolution - "the overthrow of the rightist dictator".

Mr. Earl Smith has concluded, from his experience, that the Castro Communist revolution need never have occurred. "That it did happen was, to a surprising degree, due to the policy of many persons that a leftist dictator is better than a rightist dictator, even though the rightist dictator may be friendly to the United States, and the leftist dictator our enemy. The test with these individuals is not what is beneficial to the United States, but *what fits their doctrinaire views of the future world*" (our emphasis) . . . they believe that, because democracy is successful in the United States, we must transplant and implant our ideas and our form of democracy to all other nations, many of which are not prepared for, and are not suited to, our form of government—and do not like it".

He does not think that the men of the fourth floor are in any sense disloyal, but that they believe that the United States, as champion of the free peoples of the world, cannot do business with rightist dictators.

Castro, however, was not the only alternative to Batista. Mr. Earl Smith himself tried to get Washington to support the idea of forming "a provisional government of national unity" (such a government would have needed United States support in order to maintain law and order during an interim period while general elections were being held - the United States was all-important in Cuba, before Castro) but the State Department would not support any provisional government which did not include Castro - "such a step would constitute intervention in the internal affairs of Cuba".

This policy of non-intervention was not realistic—Cuba was too closely associated with the United States, socially, geographically, economically and historically for it to be so. It was this official State Department policy of non-intervention which gave positive assistance to Castro.

The questioner asked if as much effort was now, four years later, being put forth to get rid of Castro.

In reply Mr. Earl Smith said that the problem is entirely changed - there is now a "world empire" - "Soviet imperialism" to be dealt with - "the Russians are in active control of Cuba".

Again the pattern is made plain.

Question: "How did this change come about?"

Answer "I think the change has been progressive and coming along slowly right along. In other words, the 26th of July Movement was helped by the Communists until they were sure it was going to be successful, and then they just sopped it up, and eventually they controlled and directed it. This was even before Castro came in. Then finally, after Castro came in, he was taken over.

"In my opinion, Castro is only a front today. They use him because he's still effective in Cuba, and, when he loses his effectiveness, they will replace him. This situation has progressed consistently. It is all part of the great international chess game of the cold war. Through Cuba, the Soviets are now trying to distract American concern over Berlin".

From this point both questions and answers turn the light on the new danger - the Russians having "moved in and taken over" in Cuba, the next concern of the United States is that "the Caribbean doesn't become a Communist lake" - the spread of Communism from Cuba must be foreseen and stemmed. Mr. Earl Smith advocates, through the Organisation of American States, the isolation of Cuba and a blockade on the Communist ideas and Communist philosophy which come out of Cuba. If revolutionary literature or individuals from Cuba are permitted by the Organisation of American States to enter their respective countries, then their government will be overthrown.

The problem, he says, is now being taken seriously and is a world problem. He does not know how successful the United States has been in getting the support of her allies. As for the thousands of anti-Castro Cubans in the United States, they can, of course, be helped in the United States, but some day the United States may "have to" move into Cuba. He thinks that everything should be done to try to avoid war and the risk of war - "If it isn't successful, then eventually we may be forced to take that calculated risk". That "that calculated risk" should have had to be taken in the meantime to stem yet another apparent step forward on the part of the Communist world, and that the appeasing answer and *acceptance* of the situation of which Mr. Earl Smith was speaking in such terms should have been made to appear as a success for the "Free World" is typical current irony.

The question remains - was it a mistake that the "fourth floor" boys were *allowed* to allow Castro and all he now implies to take over in Cuba - or was the "mistake" deliberate?

Desperation

This article would have appeared earlier in the year but for lack of space. It is printed now to appear in conjunction with "Subsidies to Agriculture", which follows.

Under the heading "Much Too Successful", *The Times* of February 1, 1962, dealt with President Kennedy's message to Congress on farming policy, which, it said, attempted once more "to bring order into this chaotic and illogical part of the American economy". The ever-increasing production, mainly of grains, has resulted in a huge surplus at 9,000 m. dollars and costing the U.S.A. 1,000 m. dollars a year to store. The yield, *The Times* points out, has gone up every year in spite of piece-meal attempts to deal with the problem by subsidizing the farmer to take land out of production. (The annual cost to the American budget is incalculable, the weather governing the production, which is subsidized).

The newspaper states that nobody can doubt that this abundance is a credit to the efficiency of American farming and that, if the surplus could be given away (which Congress would never allow), there might seem no urgency for action. However, neither the American government nor the American

taxpayer nor the hungry people of the world are profiting from the system and there has been urgent need for action for a long time. Then, *The Times* makes the following significant statement, "If it were not food that is surplus, the economic absurdity of an unusable surplus paid for each year by the Government would be obvious to everyone". It continues by pointing out that nevertheless the aim of a surplus for the world's hungry people comes first in the President's recommendations. He hopes to increase disposals through legislation so that India, for example, can import against a credit in its own currency. However, the barrier of transport is apparently insurmountable. Even if the surplus production were to be given away the railways and ports of the U.S.A. could not deal with much more than they are doing now. The President, "in proposing a better balance between production and demand ... is trying to keep both work needs and the American economy in focus. By cutting down production he aims to conserve agricultural land and water resources more effectively ..."

The Times continues by saying that these measures will not easily be pushed through Congress. Cutting the bill for subsidies, it says, will also mean cutting the subsidies the farmer gets. "Nor is the farmer responsive to planning, as Mr. Khruschev has reason to agree". The size of this American problem, the paper says, is in itself "a proof of the American ability in one sphere where the communist world can claim no success at all for its methods", yet, it says, in pushing his measures through Congress the President will be aware how his measures could be misinterpreted in the outside world. Exports of American grain in one year have been sufficient to feed thirty-one million people, and in *The Times's* view this effort in feeding the world's hungry will be more effectively managed under the plans now put forward.

The Observer of April 1, 1962 reports that the Milk Marketing Board in Great Britain expects to have to throw away about a quarter-of-a-million gallons of surplus skimmed milk when the spring milk flush begins to build up after Easter. It says that the skim will be poured down derelict coal-mines because it can neither be processed at the creameries nor fed to livestock by farmers. The paper reports that the director of the Oxford Committee for Famine Relief would almost certainly take up the dumping with the Milk Board and the Ministry of Agriculture. Protein deficiency disease, which he said was widespread in Africa could be partly conquered with a milk diet. "I would have hoped that Britain could have made some contribution in meeting the situation in the form of dried milk ..."

The time has surely come, indeed it is long overdue, when fundamental questions about such "problems" of plenty should be asked. They are not asked by the Press. One question has probably been asked by most readers of *The Social Crediter*, why should it be considered necessary to spend thousands of pounds to display on hoardings and on television such a fatuous advertisement (especially singled out by Jacques Barzun) as "Drinka Pinta Milka Day"?

Subsidies to Agriculture

In an article under the above title* Professor E. F. Nash of the Department of Agricultural Economics in the University of Wales discussed the advantages and disadvantages of support policies to agriculture. He showed that the average amount paid to individual farmers, in the form of subsidies, grants, etc. was about equal to the farmers' average net income; hence a withdrawal of supports would be disastrous to farmers. After pointing out that, as people become more affluent the consumption of agricultural products reached its natural limits sooner than that of many other products, and that all artificial support policies including tariffs, etc. as used in Europe, can lead to genuine over-production, Professor Nash summed up the general agricultural situation as follows:-

"The answer to these problems is not intellectually difficult; the only trouble is that it is politically impracticable *under the conventions which modern democracies have allowed themselves to accept.* We take it for granted that support measures are justified in order to raise the incomes of those who find themselves in occupations where the market value of their services is low, but we fail to recognise that industries which require organisation in order to become self-supporting are not likely to achieve it unless the individuals responsible see a prospect of gain for themselves in carrying it out. Support policies of the usual kind operate through their effect on output and input, including that of land which they indirectly influence, but, in so doing, they distort the structure of incentives on which the working of a free economic system depends. *An income support policy which seeks to avoid this defect must support incomes directly and* UNCONDITIONALLY *where support is needed, and not oblige its beneficiaries to produce unwanted output, or even to remain engaged in agricultural production at all in order to qualify for the help that is given them"* ...

Of the Common Market he says:- the existing Community (the Six) faces the likelihood of surplus production beyond its own requirements for several important products in the fairly near future, but British participation can hardly help to solve the problem unless we are prepared to transfer our own custom to the Six from the Commonwealth and other non-European suppliers. Thus, the fundamental questions of policy ... will not be answered by a decision to join the Common Market or to stay outside: they will continue to face us in one form or another whatever we do, and will require intelligent handling".

It is refreshing to find at least one professional economist referring to what are usually regarded as sacrosanct economic laws as "conventions". Also the proposal that incomes should, where necessary, be supported unconditionally is almost staggering. Not knowing him personally we dare not ask him to pursue the subject lest he should dash our hopes.

—T. N. MORRIS.

*"*Land*", the Farm Journal of the Shell Chemical Company, Autumn issue.

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