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FOR POLITICAL AND ECONOMIC REALISM

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TELESLICK

TELEVISION AND THE MASS SLICKS

By GARY ALLEN* (*continued*)

Control of N.B.C.

The Avis of network television is the National Broadcasting Company, a subsidiary of the Radio Corporation of America. (Another subsidiary, coincidentally, is the Hertz Auto Rentals). In the N.B.C. constellation are 207 television stations and 219 radio outlets.

Until his recent retirement the head man at Radio Corporation (and therefore at N.B.C.) has been Brigadier General David Sarnoff°. Mr. Sarnoff is generally credited with founding R.C.A. As Mr. Arthur Howden Smith notes in *Men Who Run America*, it was not that simple:

R.C.A., it should be stated, however, was not Sarnoff's brainchild. It came about because the Navy Department wanted American wireless American-owned — American Marconi was an affiliate of British Marconi. Franklin D. Roosevelt, Assistant Secretary of the Navy, took up the matter with Owen D. Young, of General Electric, and in October, 1919, General Electric bought over complete control of American Marconi and reorganised it as Radio Corporation of America. A.T. & T. bought into it in July, 1920, swapping radio patents for devices helpful in telephony . . . Then, in November, Westinghouse electrified the country by broadcasting from an experimental station in Pittsburgh the Harding-Cox election returns. The United States became radio-minded in a week. And Westinghouse joined R.C.A. in return for a sizeable block of Radio stock.

Obviously, R.C.A. was no more than a selling agency to work up a market for the instruments the two manufacturing companies were commencing to turn out. It controlled practically every patent of value required to build such instruments . . .

General J. C. Harbord had been elected president on the company's organisation. He was the front for the corporation. But David Sarnoff, practical radio man, general manager, was the "works". It was he who made the wheels go round — and in 1920 he was twenty-nine years old. He . . . shoved broadcasting as hard as he could. National Broadcasting Company was the result. In 1926, he persuaded Radio to buy station WEA F

from A.T. & T. for one million dollars, and broadcasting as we know it today had its birth.

Navy Intelligence was more than slightly naive if it thought that in getting American Marconi away from the Rothschild-owned British Marconi it was freeing American broadcasting from control by the Rothschild clique and the international financiers. Since its inception, "His Master's Voice" at R.C.A.-N.B.C. came from the Rothschild's new world affiliates — Kuhn, Loeb & Company, Lehman Brothers and Lazard Freres. Sarnoff, like his counterpart William Paley at C.B.S., was a bright young man backed by the banking *Insiders*.

In 1969, Andre Meyer of Lazard Freres, who had been a member of the board of directors of R.C.A. since 1947, retired. Andre, who was married to Bella Lehman, was replaced by Donald A. Petrie of Lazard Freres. One goes off, another comes on. The "Big Boys" are not about to relinquish control of so powerful a conglomerate as R.C.A. At the same time, Stephen M. DuBrul of Lehman Brothers joined the board of directors. Lewis L. Strauss, a partner at Kuhn, Loeb & Company, has been a board member for many years. He was also a trustee of the subversive Institute of Pacific Relations. The Chairman and chief executive officer at N.B.C. is Walter Scott, a partner in Lehman Brothers.

As radio mushroomed, the ambitious Sarnoff and his backers began looking at related fields to conquer. Arthur Howden Smith tells us how N.B.C. got into the movie business:

. . . Radio's laboratories had developed a device they called Photophone, and in seeking an opening for it Sarnoff came upon the twin companies of Keith-Albee-Orpheum, operator of a chain of two hundred theatres and Film Booking Office Production, makers of motion-pictures. Both were in difficulties because they hadn't got in on the new sound equipment, and Sarnoff succeeded in obtaining a substantial interest for R.C.A. without spending a dollar or a share of stock. The theatre chain became Radio-Keith-Orpheum (R.K.O.), the producing company R.K.O. Productions, later simplified to Radio Pictures.

R.C.A. subsequently sold R.K.O. to the Atlas Corporation and Lehman Brothers.

Much of what we can learn about Sarnoff comes from his biography by Eugene Lyons, the former editor of *Soviet Russia Pictorial* and a director of the Soviets' TASS news

(*continued on page 4*)

* ;From *American Opinion*, October 1970.

• Sarnoff is not a military man; F.D.R. made him an instant general during World War II.

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FROM WEEK TO WEEK

In the bad old days of the Great Depression — how long ago that now seems! — the Douglas theorem, generally known as the A + B Theorem, showing how the economic system necessarily entailed a progressive shortage of purchasing-power; and its corollary, a National Dividend and scientifically reduced prices of goods to consumers, seemed to offer new hope to millions suffering “starvation in the midst of plenty”. The ‘Theorem’ became partially distorted into such forms as cries for “debt-free money” and “interest-free debt”, whereas cancellation of “money” at an *appropriate* rate is the essence of a workable money system in the industrial era, and it is interest on bank-created debt which forms the almost exclusive basis of the expansion of the medium of exchange necessary for the distribution of an increasing supply of consumers’ goods — *insofar* as the interest is distributed to shareholders of the banks, who introduce it into general circulation.

In its expanded (in the mathematical sense) form the A + B theorem states: in order to ensure the distribution of a given quantity of consumers’ goods, it is necessary to *accelerate* the production of capital goods. The recognition of this by J. M. Keynes (or he may have been the ghost-writer for others) and its dressing-up in elaborate economic jargon brought about the virtual execution of the Social Credit idea, for he showed how to maintain the *centralisation* of credit control, whereas the Social Credit idea was the *distribution* of credit, thereby achieving *economic* democracy, a far more important concept to the *individual* than *political* democracy, which in its ballot-box form is a well-nigh perfect smoke-screen for autocracy. Under cover of an uninformed or misinformed majority (witness the United Nations) a strategically-minded minority can formulate and implement its own ‘mandate’.

However, the A + B theorem has taken on new life — not in its name but in its manifestation. Its essence lay in the need, as things were (and have remained: they need not have), for *accelerating* capital production — production which distributed incomes, but which did not come on to the consumer market (production for export comes into this category). The trouble is that internal capital production

tends towards a limit, while as the world becomes industrialised the market for exports shrinks. Economically, there is no sense in Britain ‘trading’ motor vehicles with America or Germany; it merely adds on freight charges and, usually, tariffs; and in the case of Britain, imposes the necessity of importing certain raw materials in which Britain is singularly deficient, but which must be paid for in “foreign exchange”. Of course, “aid to under-developed countries” has a long future; but such countries have not the money to meet the British shortage of purchasing-power. There is much more to be said along these lines, but this is not the place to say it. There is a more fundamental problem involved.

Every expansion of industrial capacity increases the “B” element in prices — i.e., the element representing payments made to individuals at some indefinite period in the past, and for the most part *spent at that time*, but accounted *forward* into the price of an article when it reaches the *consumer* market. This is the fundamental cause of “cost-inflation”; for even if willing to forgo “profit”, no manufacturer is able to sell at a loss (except temporarily out of “reserves” to maintain production and retain a market during a short period of crisis). During the Great Depression, many simply went bankrupt, allowing their assets to be acquired by others dirt cheap.

On the other hand, this ‘natural’ increase in prices leads to demands for higher wages which in the aggregate already being greatly in excess of profits, necessarily leads to “wage-cost” inflation. Again, much more could be said.

Inflation, thus, is a built-in feature of the economy. Its rate of increase can be slowed by a *genuine* increase in productivity; but this is inhibited by high taxation imposed, it is said, to ‘curb’ inflation, or otherwise to cool the over-heated economy(!). In any case, say the ‘economists’, a ‘moderate’ degree of inflation is ‘healthy’, so long as it does not outstrip the rate in other countries, when it becomes bad for trade, meaning that it results in an unfavourable “balance of payments”. This is particularly serious for Britain, which has to import (pay for) thousands of millions of pounds’ worth of imports of raw materials to manufacture the goods she exports, as well as many thousands of millions more to manufacture the goods she must sell abroad merely to repay international indebtedness. So if inflation in Britain outstrips that in “the rest of the world” so that there is a “run on sterling”, then sterling has to be “devalued”, which means, of course, that Britain has to import *more* raw materials at a higher cost in order to export *more* goods to obtain the same amount of “foreign exchange”.

This short incursion into fundamental economics (we were about to say “basic”, but this is too reminiscent of Basic English) is a necessary prelude to some remarks on Mr. Carr’s “New Budget” — the long awaited economic pronouncement of Mr. Heath’s “Efficiency Management” Government. Of course, the pundits have fallen on it with explanations and exclamations of delight and dismay, according to the colour of their political indoctrination. Briefly, the proposals seem to be a reduction of taxation (sixpence in the pound) on the one hand, and an increase of prices on the other (reduction of food subsidies) — an increase affecting the whole community, and a stepping-stone to a “new round of inflation”. The workers, whose justified discontents are organised by agents, conscious or otherwise, of Britain’s bitterest enemies, are expected to exercise ‘restraint’;

but, of course, the nationalised industries and the Post Office must put up the prices of their commodities "to meet increasing costs". But not the profiteering private manufacturers.

Well, one way and another, we can only think of the innocent young girl with the swollen belly, who thought that if she rubbed it with vanishing cream, her troubles would go away. But *she* probably survived the treatment.

As for entering the Common Market, Mr. Heath appears to think that from within, Britain may be able to 'lead' a Unified Europe. Adolf Hitler thought so too. And the Soviets seem — with good reason — to be sure of their ability. With due regard for Mr. Heath, we are reminded of the story of the young lady of Riga who went for a ride on a tiger.

* * *

Then there is Mr. Nixon's Peace Initiative. "Sure", say the Russians; "Just what we have been working for all along. And here comes this lackey of Imperialist America's military-industrial complex with his lying propaganda trying to stir up trouble. *We* can keep the peace in the Mediterranean and the Middle East, and the Americans are arming the Israelis to start trouble. *We* control the strategic frontiers of Europe. Why, even the Americans' military experts admit we have superiority in every category over NATO, so how can NATO disturb the peace? South East Asia? There wouldn't be war there at all if it weren't for the American aggressors. Let them go home, and we'll soon re-unify Vietnam under its own freely-chosen Communist government. Peace indeed! More like the rantings of a raving hyena. Well, if they don't come to their senses soon — if they're not too decadent already — it'll be as Khrushchev said: 'We'll bury you!'"

Mr. Heath sails yachts (and plays the organ too); we don't know what Mr. Nixon does with his spare time. Do either of them play chess? And has either an opinion on the still revered Stalin's dictum: "Treaties are like pie-crusts — made to be broken"?

All in all: *Quem Deus vult perdere, prius dementat.*

* * *

On the occasion of the United Nations twenty-fifth anniversary, it has met with a good deal of criticism, partly on the grounds that small 'nations' of perhaps several hundred thousand people are equally represented with those like America with two hundred million. But surely this makes them *more* representative. Isn't a man who represents one million people two hundred times as representative as one representing two hundred million? Monolithic Soviet Russia goes some way towards recognising this principle, by arranging representatives for several of its constituent Socialist Republics. How undemocratic of the Republic United States of America not to gain accreditation for each of its constituent States!

AN INTRODUCTION TO SOCIAL CREDIT

By BRYAN W. MONAHAN

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DO EVIL

The Archbishop of York has given his support to the World Council of Churches' grants to "combat racism". He says (*Church Times*, 11 Sept., 1970), "Racism is one of the major evils of the twentieth century, and the World Council of Churches and U Thant are right in opposing it. As for grants to African organisations, I note the assurance that the money will not be used for military purposes . . . and on that assumption it is right for the World Council to go ahead with its programme."

Support for the World Council's action comes from the Rev. J. K. Pennington who asks, pertinently enough, "Do we support them, and risk the Gospel becoming an incitement to violence? . . . The World Council of Churches reminded us that the activists operate as much within the field of God's inspiration as do the forces of law and order they oppose". This from the Derby, Leicester and Southwell area secretary, U.S.P.G. Or as C. J. Pierpoint expresses it "Murder is now to be financed by a supposedly Christian organisation". For according to Mr. Sjollem, director of the Council's programme to combat racism, "Grants would be made without control of the manner in which they were spent" (*Church Times*, 11 Sept., 1970).

The Chairman of the Anglo-Zanzibar Society, backed by other members of the organisation, complains (*Daily Telegraph*, 11 Sept., 1970), "nothing has been allotted to Zanzibaris driven into exile after a genocidal revolution in which 13,500 are estimated to have perished. But then the oppressor there is not white". Further, he says, the World Council of Churches is subsidising "Communist-backed revolutionary warfare against multi-racial Portugal," it has "applied the double standard to which the United Nations has accustomed us". J. Biggs-Davison, M.P., also points out that U Thant "knows neither South Africa nor Rhodesia and has refused repeated invitations to see for himself the Portuguese provinces, one of which, Guinea, was praised by the World Health Organisation". It is greatly to the credit of the Bishop of Peterborough that he has called the gift to African revolutionaries "deplorable", and says that it will cause British Churches to reconsider their membership of the World Council (*Church Times*, 11 Sept., 1970).

The release of prisoners in return for hostages has deeply concerned some politicians, but few could deny that undermining law and order by actually supporting guerillas has terrible and widespread consequences. We read (*U.S. News and World Report*, 14 Sept., 1970) that "terrorist revolutionaries — black and white — are intensifying their guerilla warfare in the U.S." The article is entitled, "Bolder 'Cop Killers' hitting more often". The bombs, killings and maimings in Northern Ireland further show obviously enough what happens when we lose law and order.

The Archbishop of York rests his case on the unrealistic assumption that "the money will not be used for military purposes", together with the pious hope, "we must ensure that this is true"! As the Anglo-Zanzibar Society's letter points out, even if such assurances could be trusted "It will free other funds for subversion". The Archbishop of Canterbury later stated the rather obvious fact that many Christians were worried by the World Council of Churches' decision

and he deplored the fact that the Council's executives had not thought it right, before announcing "such a very specific decision as this, to consult their member churches, especially those in Southern Africa". (*Daily Telegraph*, 14 Sept., 1970). The newspaper says that Dr. Ramsey "seems to be in disagreement with the Archbishop of York". Yet the World Council's Executive Committee, which made the grants, was acting on a decision made at Canterbury last year by the World Council's Central Committee.

It is to be noted that the *British Council of Churches* will not support African guerilla groups. Yet unfortunately it is the *World Council of Churches* which is holding sway in the Church of England.

— H.S.

TELESLICK

(continued from page 1)

agency who had a fight with Stalin and was until recently a senior editor at *Reader's Digest*. One suspects, however, that there may be considerable eyewash involved as Lyons is Sarnoff's cousin (a matter the biography neglects to mention). Eugene Lyons was born in Uzlian, Minsk, Russia, to one Minnie Privin. Sarnoff was born in Uzlian, Minsk, Russia, the son of Lena Privin. Mr. Lyons writes of his cousin's political and ideological proclivities that "Sarnoff is not a man of intense political feeling or overmastering convictions outside his business-scientific preserves."

Yet, we are asked to believe that David Sarnoff was at one time a fierce opponent of Communism. In 1955, he prepared a detailed memorandum boldly entitled *Program For A Political Offensive Against World Communism*. "On May 9, 1955", writes Lyons, "James Hagerty, the press secretary, released it to the White House correspondents, with the implication at least of presidential blessings." You may judge how far to the Right this plan was by the fact that it was read into the *Congressional Record* with laudatory remarks by Senator Lyndon Baines Johnson. Mr. Johnson later travelled to New York to address a dinner at the Waldorf Astoria in Sarnoff's honour. There L.B.J. praised the Sarnoff memorandum and called for "the greatest political offensive in history . . . to win the cold war." The scheme was as phony as a rubber cane.

Although the Sarnoff thesis advocated an end to cream-puff appeasement of the Russians, it presented the "Liberal" line that the only threat is external and that Communism can best be thwarted by a massive redistribution of wealth in the non-Communist world and the creation of a socialist World Government to oppose the Soviet bloc. As usual, Americans were presented with false alternatives: One side (Atlantic Unionists and related groups) was proposing a socialist World Government to stop the spread of Communism, while the other (United World Federalists and similar organisations) advocated World Government with the Communists. Upon the election of John F. Kennedy, Establishment Group II came into the ascendancy and Sarnoff dropped his scheme. Cousin Lyons writes:

Around 1961 David Sarnoff ceased to talk publicly about Communism. Tacitly he acknowledges that the "hard" line of the cold war, of which he had been so determined an exponent, no longer had much chance — that his crusade had failed . . .

For a man without intense political feeling, David Sarnoff has strayed into some very intense political associations. For many years he has been a member of the Establishment *Insiders'* Council on Foreign Relations — about as intensely political a group as you could hope to assemble. (R.C.A. has been a major financial contributor to the C.F.R.). Also, at the urging of President Kennedy, Sarnoff in 1961 became vice-chairman of the Citizen's Committee for International Development. "Its objective," writes Lyons, "was to help generate public support for the Foreign Aid Programme. An equivalent organisation, in which Sarnoff served as a member of the board of directors, was constituted by President Johnson in February, 1965."

The public is supposed to believe that the lobbying for foreign aid is a product of the efforts of average citizens who see the need to help America's neighbours. Far from it! The *Insiders* of international banking profited enormously from America's foreign aid programme — which has cost us over 182 billion dollars since 1946. Both J.F.K. and L.B.J. knew that Sarnoff has been a lifelong front man for the international banking fraternity, and accordingly selected him for the International Development posts.

In September, 1965, Sarnoff addressed three thousand delegates from more than one hundred nations at a privately sponsored World Conference on Peace Through Law, a Front promoting socialist World Government. Earl Warren was its honorary chairman, former Presidents Truman and Eisenhower were co-chairmen, and Lyndon Johnson was a featured speaker. Sarnoff advocated that world "control" (a monopoly for the *Insiders*) be arranged over international television. The "General" even served on the Rockefeller Committee on Department of Defence Organisation, created by President Eisenhower to reduce control by the military over the nation's defence policies. Little wonder that Sarnoff received a medal from the Communist-dominated United Nations "for his contribution to the field of human rights".

David Sarnoff is also a member of the super-secret Pilgrim Society, whose official logo is entwined American and British flags. This group, which is dedicated to merging Britain and America, has a number of internationalist members like Paley, Sarnoff and John Schiff whose ancestors were not British* Cousin Eugene forgot to mention Cousin David's C.F.R. and Pilgrim activities.

(To be continued)

* According to the group's 1969 membership list, other members in the United States of The Pilgrims, 74 Trinity Place, New York 10006, are: Frank Altschul, John Astor, Hugh D. Auchincloss, George W. Ball, Rudolph Bing, Douglas M. Black, Roger M. Blough, Brigadier General George A. Brownell, David K. E. Bruce, Ellsworth Bunker, Admiral Arleigh Burke, Arthur F. Burns, Gardner Cowles, Thomas E. Dewey, Thomas E. Dewey, Jr., Clarence Dillon, C. Douglas Dillon, Hedley Donovan, Captain Douglas Fairbanks Jr., G. Keith Funston, Leonard W. Hall, Lyndon B. Johnson, James A. Linen, William McChesney Martin, The Reverend Norman Vincent Peale, Elmo Roper, Dean Rusk, and Henry M. Wriston.

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