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**TRILATERALS  
OVER  
WASHINGTON  
I**

**ANTONY C. SUTTON  
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## CHAPTER ONE

# WHAT IS THE TRILATERAL COMMISSION?

According to each issue of the official Trilateral Commission quarterly magazine *Dialogue*:

*The Trilateral Commission was formed in 1973 by private citizens of Western Europe, Japan and North America to foster closer cooperation among these three regions on common problems. It seeks to improve public understanding of such problems, to support proposals for handling them jointly, and to nurture habits and practices of working together among these regions.*

This book attempts to tell the rest of the story, according to official and unofficial commission sources and other available documents.

The Trilateral Commission was founded by the persistent maneuvering of **David Rockefeller** and **Zbigniew Brzezinski**. **Rockefeller**, chairman of the ultra-powerful Chase Manhattan Bank, a director of many major multinational corporations and "endowment funds" and has long been a central figure in the mysterious Council on Foreign Relations (CFR). **Brzezinski**, a brilliant prognosticator of one-world idealism, has been a professor at Columbia University and the author of several books that have served as "policy guidelines" for the CFR. **Brzezinski** served as the commission's executive director from its inception in 1973 until late 1976 when he was appointed by President **Carter** as assistant to the president for national security affairs.

The word *commission* is puzzling since it is usually associated with instrumentalities set up by governments. It seems out of place with a so-called private group unless we can determine that it really is an arm of a government - an unseen government, different from the visible government in Washington. European and Japanese involvement indicates a world government rather than a national government. We would hope that the concept of a sub-rosa world government is just wishful thinking on the part of the Trilateral commissioners. The facts, however, line up pessimistically.

If the Council on Foreign Relations can be said to be a spawning ground for the concepts of one-world idealism, then the Trilateral Commission is the "task force" assembled to assault the beachheads. Already the commission has placed its members (some of whom have subsequently "resigned") in the top posts the U.S. has to offer.

The August Corporation

## What Is The Trilateral Commission?

President **Carter**, the country politician who promised, "I will never lie to you," was chosen to join the commission by **Brzezinski** in 1973. It was **Brzezinski**, in fact, who first identified **Carter** as presidential timber, and subsequently educated him in economics, foreign policy, and the ins-and-outs of world politics. Upon **Carter's** election, **Brzezinski** was appointed assistant to the president for national security matters. Commonly, he is called the head of the National Security Council because he answers only to the president - some say **Brzezinski** holds the second most powerful position in the U.S.

**Carter's** running mate, **Walter Mondale**, was also a member of the commission. (If you are trying to calculate the odds of three virtually unknown men, out of over sixty commissioners from the U.S., capturing the three most powerful positions in the land, don't bother. Your calculations will be meaningless.)

On 7 January 1977 *Time Magazine*, whose editor-in-chief, **Hedley Donovan**, is a powerful Trilateral commissioner, named President **Carter** "Man of the Year." The sixteen-page article in that issue not only failed to mention **Carter's** connection with the commission but stated the following:

*As he searched for Cabinet appointees, Carter seemed at times hesitant and frustrated disconcertingly out of character. His lack of ties to Washington and the Party Establishment - qualities that helped raise him to the White House - carry potential dangers. He does not know the Federal Government or the pressures it creates. He does not really know the politicians whom he will need to help him run the country.*

Is this portrait of **Carter** as a political innocent simply inaccurate or is it deliberately misleading? By 25 December 1976 - two weeks before the *Time* article appeared - **Carter** had already chosen his cabinet. Three of his cabinet members - **Vance**, **Blumenthal**, and **Brown** - were Trilateral commissioners; and the other non-commission members were not unsympathetic to commission objectives and operations. In addition, **Carter** had appointed another *fourteen* Trilateral commissioners to top government posts. As of 25 December 1976, therefore, there were *nineteen* commissioners, including **Carter** and **Mondale**, holding tremendous political power. These presidential appointees represented almost one-third of the Trilateral Commission members from the United States. Try to give odds to that!

Nevertheless, is there even the slightest evidence to indicate anything other than conspiracy? Hardly! **Zbigniew Brzezinski** spelled out the qualifications of a 1976 presidential winner in 1973:

## What Is The Trilateral Commission?

*The Democratic candidate in 1976 will have to emphasize work, the family, religion and, increasingly, patriotism...The new conservatism will clearly not go back to laissez faire. It will be a philosophical conservatism. It will be a kind of conservative statism or managerism. There will be conservative values but a reliance on a great deal of co-determination between state and the corporations.*

On 23 May 1976 journalist Leslie H. Gelb wrote in the not-so-conservative *New York Times*, "**Brzezinski** was the first guy in the Community to pay attention to **Carter**, to take him seriously. He spent time with **Carter**, talked to him, sent him books and articles, educated him." **Richard Gardner** (also of Columbia University) joined into the "educational" task, and as Gelb noted, between the two of them they had **Carter** virtually to themselves. Gelb continued: "While the Community as a whole was looking elsewhere, to Senators Kennedy and **Mondale**...it paid off. **Brzezinski**, with **Gardner**, is now the leading man on **Carter's** foreign policy task force."

Although **Richard Gardner** is of considerable academic influence, it should be clear that **Brzezinski** is the "guiding light" of foreign policy in the **Carter** administration. Along with Commissioner **Vance** and a host of other commissioners in the state department, **Brzezinski** has more than continued the policies of befriending our enemies and alienating our friends. Since early 1977 we have witnessed a massive push to attain "normalized" relations with Communist China, Cuba, the USSR, Eastern European nations, Angola, etc. Conversely, we have withdrawn at least some support from Nationalist China, South Africa, Rhodesia, etc. It is not just a trend -it is an epidemic. Thus, if it can be said that **Brzezinski** has, at least in part, contributed to current U.S. foreign and domestic policy, then we should briefly analyze exactly what he is espousing.

### **MORE JUST AND EQUITABLE**

The Trilateral Commission met in Tokyo, Japan, in January 1977. **Carter** and **Brzezinski** obviously could not attend as they were still in the process of reorganizing the White House. They did, however, address personal letters to the meeting, which were reprinted in *Dialogue*:

*It gives me special pleasure to send greetings to all of you gathering for the Trilateral Commission meeting in Tokyo. I have warm memories of our meeting in Tokyo some eighteen months ago, and am sorry I cannot be with you now.*

## What Is The Trilateral Commission?

*My active service on the Commission since its inception in 1973 has been a splendid experience for me, and it provided me with excellent opportunities to come to know leaders in our three regions.*

*As I emphasized in my campaign, a strong partnership among us is of the greatest importance. We share economic, political and security concerns that make it logical we should seek ever-increasing cooperation and understanding. And this cooperation is essential not only for our three regions, but in the global search for a **more Just and equitable world order** (emphasis added). I hope to see you on the occasion of your next meeting in Washington, and I look forward to receiving reports on your work in Tokyo."*

*Jimmy Carter*

**Brzezinski's** letter, in a similar vein, follows:

*The Trilateral Commission has meant a great deal to me over the last few years. It has been the stimulus for intellectual creativity and a source of personal satisfaction. I have formed close ties with new friends and colleagues in all three regions, ties which I value highly and which I am sure will continue.*

*I remain convinced that, on the larger architectural issues of today, collaboration among our regions is of the utmost necessity. This collaboration must be dedicated to the fashioning of a **more just and equitable world order** (emphasis added). This will require a prolonged process, but I think we can look forward with confidence and take some pride in the contribution which the Commission is making.*

*Zbigniew Brzezinski*

The key phrase in both letters is "more just and equitable world order." Does this emphasis indicate that something is wrong with our present world order, that is, with national structures? Yes, according to **Brzezinski**; and since the present "framework" is inadequate to handle world problems, it must be done away with and supplanted with a world government.

In September 1974 **Brzezinski** was asked in an interview by the Brazilian newspaper *Vega*. "How would you define this new world order?" **Brzezinski** answered:

*When I speak of the present international system I am referring to relations in specific fields, most of all among the*

## What Is The Trilateral Commission?

*Atlantic countries; commercial, military, mutual security relations, involving the international monetary fund, NA TO etc. We need to change the international system for a global system in which new, active and creative forces recently developed - should be integrated. This system needs to include Japan. Brazil. the oil producing countries, and even the USSR, to the extent which the Soviet Union is willing to participate in a global system.*

When asked if Congress would have an expanded or diminished role in the new system, **Brzezinski** declared "...the reality of our times is that a modern society such as the U.S. needs a central coordinating and renovating organ which cannot be made up of six hundred people."

**Brzezinski** developed background for the need for a new system in his book *Between Two Ages: America's Role in the Technetronic Era* (1969). He wrote that mankind has moved through three great stages of evolution, and is in the middle of the fourth and final stage. The first stage he describes as "religious," combining a heavenly "universalism provided by the acceptance of the idea that man's destiny is essentially in God's hands" with an earthly "narrowness derived from massive ignorance, illiteracy, and a vision confined to the immediate environment."

The second stage is nationalism, stressing Christian equality before the law, which "marked another giant step in the progressive redefinition of man's nature and place in our world." The third stage is Marxism, which, says **Brzezinski**, "represents a further vital and creative stage in the maturing of man's universal vision." The fourth and *final* stage is **Brzezinski's** Technetronic Era, or the ideal of rational humanism on a global scale - the result of American-Communist evolutionary transformations.

In considering our present structure **Brzezinski** states:

*Tension is unavoidable as man strives to assimilate the new into the framework of the old. For a time the established framework resiliently integrates the new by adapting it in a more familiar shape. But at some point the old framework becomes overloaded. The newer input can no longer be redefined into traditional forms, and eventually it asserts itself with compelling force. Today, though, the old framework of international politics - with their spheres of influence, military alliances between nation-states, the fiction of sovereignty, doctrinal conflicts arising from nineteenth century crises - is clearly no longer compatible with reality.*

## What Is The Trilateral Commission?

One of the most important "frameworks" in the world, and especially to Americans, is the United States Constitution. It is this document that outlined the most prosperous nation in the history of the world. Is our sovereignty really "fiction"? Is the U.S. vision no longer compatible with reality? **Brzezinski** further states:

*The approaching two-hundredth anniversary of the Declaration of Independence could justify the call for a national constitutional convention to reexamine the nation's formal institutional framework. Either 1976 or 1989 - the two-hundredth anniversary of the Constitution - could serve as a suitable target date culminating a national dialogue on the relevance of existing arrangements...Realism, however, forces us to recognize that the necessary political innovation will not come from direct constitutional reform, desirable as that would be. The needed change is more likely to develop incrementally and less overtly...in keeping with the American tradition of blurring distinctions between public and private institution.*

In **Brzezinski's** Technetronic Era then, the "nation state as a fundamental unit of man's organized life has ceased to be the principal creative force: International banks and multinational corporations are acting and planning in terms that are far in advance of the political concepts of the nation-state."

Understanding the philosophy of and monitoring the Trilateral commission is the only way we can reconcile the myriad of apparent contradictions in the information filtered through to us in the national press. For instance, how is it that the Marxist regime in Angola derives the great bulk of its foreign exchange from the offshore oil operations of Gulf Oil Corporation? Why does **Andrew Young** insist that "Communism has never been a threat to Blacks in Africa"? Why does the U.S. funnel billions in technological aid to the Soviet Union and Communist China? Why does the U.S. apparently help its enemies while chastising its friends?

These questions, and hundreds of others like them, cannot be explained in any other way: the U.S. Executive Branch (and related agencies) is not anti-Marxist or anti-Communist - it is, in fact, *pro-Marxist*. Those ideals which led to the heinous abuses of Hitler, Lenin, Stalin, and Mussolini are now being accepted as necessary inevitabilities by our elected and appointed leaders.

This hardly suggests the Great American Dream. It is very doubtful that Americans would agree with **Brzezinski** or the Trilateral

## What Is The Trilateral Commission?

Commission. It is the American public who is paying the price, suffering the consequences, but not understanding the true nature of the situation.

### ELEMENTS OF CONTROL

This book will carefully document the *economic* nature of the driving force within the Trilateral Commission. It is the giant multinational corporations - those with Trilateral representation - which consistently benefit from Trilateral policy and actions. Polished academics such as **Brzezinski, Gardner, Allison, McCracken, Henry Owen** etc., serve only to give "philosophical" justification to the exploitation of the world.

Don't underestimate their power or the distance they have already come. Their economic base is already established. Giants like Coca-Cola, IBM, CBS, Caterpillar Tractor, Bank of America, Chase Manhattan Bank, Deere & Company, Exxon, and others virtually dwarf whatever remains of American businesses. The market value of IBM's stock alone, for instance, is greater than the value of all the stocks on the American Stock Exchange. Chase Manhattan Bank has some fifty thousand branches or correspondent banks throughout the world. What reaches our eyes and ears is highly regulated by CBS, the *New York Times*, *Time* magazine, etc.

The most important thing of all is to remember that the political coup de grace is over - the virtual domination of the White House.

Fortunately, these commissioners are not infallible they make mistakes. They misjudge. They over- and under-estimate. They create crises to manage and then find menacing backlashes from those very crises.

"Management by crisis" has brought about the energy crisis, the International monetary crisis, and the banking crisis. All are clearly man-made, but all certainly threaten the creators. In the end, the biggest crisis of all is that of the American way of life. Americans never counted on such powerful and influential groups working *against* the Constitution and freedom, either inadvertently or purposefully, and even now, the principles that helped to build this great country are all but reduced to the sound of meaningless babblings.

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## CHAPTER TWO

# THE POWER STRUCTURE OF THE TRILATERAL COMMISSION

### PART I

A bare membership list of the Trilateral Commission does not suggest its massive political and economic power nor its outstanding scope and global ramifications. Understanding of the power base requires analysis of its membership.

The basic Trilateral structure is a power pyramid. At the tip of the pyramid we can identify a "financial brotherhood," comprising several old-line American families, the so-called American aristocracy, controlling major New York financial installations. Below this highest level is the executive committee for the United States, linked to executive committees in Europe and Japan. Then comes the Trilateral Commission itself: 109 members from North America, 106 from Europe, and 74 from Japan. Because these Trilaterals control the executive branch of the U.S. government, they also control U.S. policy. Furthermore, one of their ongoing projects is to dominate nine "core countries" in Europe and Japan, which, by virtue of their productive ability, account for 80 percent of world output. The "core" group will then dominate the remaining 20 percent of the world. The American multinational corporations (MNCs) provide country by country liaison, intelligence, and financial conduits, the sinews to bind a global New World Order to the directions of the commission.

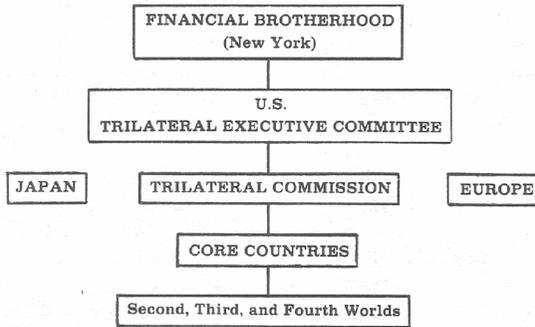
As the *Washington Post* has phrased it:

*Trilateralists are not three-sided people. They are members of a private, though not secret, international organization put together by the wealthy banker, David Rockefeller, to stimulate the establishment dialogue between Western Europe, Japan and the United States.*

*But here is the unsettling thing about the Trilateral Commission. The President-elect is a member. So is Vice-President-elect Walter F. Mondale. So are the new Secretaries of State, Defense and Treasury, Cyrus R. Vance, Harold Brown and W. Michael Blumenthal. So is Zbigniew Brzezinski, who is a former Trilateral director and, Carter's national security adviser, also a bunch of others who will make foreign policy for America in the next four years.*<sup>1</sup>

## COMPOSITION OF THE POWER PYRAMID

In outline form then, the Trilateral power pyramid has five levels and looks like this:



There are 109 North American commissioners (as of October 1977): of these 12 are Canadian and 97 are American citizens. American commissioners can be divided into three operational groups as follows: (1) operators, (2) propagandists and technicians, and (3) power holders. Let's take each group in turn.

Operators	Number of Commissioners	Percentage of Total U.S. Membership
Establishment lawyers	9	9
Politicians/bureaucrats	27	27
Trade unionists	6	6
Miscellaneous	5	5
Total	47	47

The common link among Trilateral operators is administration of power rather than power holding. Lawyers, politicians, bureaucrats, and trade unionists come and go in the halls of power. They retain administrative positions only as long as they are successful in using political power to gain political objectives. Operators do not, by and large, create objectives - this is an important point. One should label this group of operators "the hired hands." As Senator Mansfield once said of Congress, "To get along, you must go along." Trilateral operators are at the pinnacle of success in "going along."

Consequently, we find the following Establishment law firms well represented in Trilateralism:

*CENTER FOR LAW AND SOCIAL POLICY*

**Paul C. Warnke**

**Philip H. Trezise**

*CLIFFORD, WARNKE, GLASS, McILWAIN & FINNEY*

**Paul C. Warnke**

*COUDERT BROTHERS*

**Sol M. Linowitz**

**Richard N. Gardner**

*O'MELVENY & MYERS*

**Warren Christopher**

**William T. Coleman, Jr.**

*SIMPSON, THACHER & BARTLETT*

**Cyrus R. Vance**

*WILMER, CUTLER & PICKERING*

**Gerard C. Smith**

**Lloyd N. Cutler**

## **PROPAGANDISTS AND TECHNICIANS**

Quite distinct from the operators, although their functions often overlap, are the propagandists (the media) and the technicians (academicians and research controllers). These groups provide the intellectual linkage between the power holders (we consider these next) and the power administrators (the operators).

Technicians design the plans needed to promote and implement objectives. They explain ideas to the public and even conceive ideas - within limits. Technicians and propagandists achieve personal success only insofar as they have ability to conceive and promote plans within the overall framework welcome to the power holders. A media source distributing unwelcome news or a researcher developing unwelcome conclusions is politely so informed - and usually takes the hint. Trilateralist technicians are experts at "getting the message."

We find the following "think tanks" linked to Trilateralism:

*ASPEN INSTITUTE FOR HUMANISTIC STUDIES*

**Maurice F. Strong**

**Robert S. Ingersoll**

*BROOKINGS INSTITUTION*

**William T. Coleman, Jr.**

**Henry D. Owen**

**Gerard C. Smith**

**C. Fred Bergsten**

**Graham T. Allison, Jr.**

**Philip H. Trezise**

**Bruce K. MacLaury**

*CENTER FOR DEFENSE INFORMATION*

**Paul C. Warnke**

*COLUMBIA UNIVERSITY*

**Richard N. Gardner**

*GEORGETOWN UNIVERSITY, CENTER FOR  
STRATEGIC AND INTERNATIONAL STUDIES*

**David M. Abshire**

**William E. Brock**

**William V. Roth, Jr.**

**Gerard C. Smith**

*HARVARD UNIVERSITY*

**Graham Allison**

**Robert R. Bowie**

*HOOVER INSTITUTION ON WAR, REVOLUTION AND PEACE*

**David Packard**

*HUDSON INSTITUTE*

**J. Paul Austin**

*MASSACHUSETTS INSTITUTE OF TECHNOLOGY (MIT)*

**Carroll L. Wilson**

*MITRE CORPORATION*

**Lucy Wilson Benson**

*RAND CORPORATION*

**J. Paul Austin**

**Graham Allison**

**William T. Coleman, Jr.**

*WORLD WATCH INSTITUTE*

**C. Fred Bergsten**

These "think tanks" are financed by foundations which are also linked to Trilateralism:

*ROCKEFELLER FOUNDATION*

**Cyrus R. Vance**

**W. Michael Blumenthal**

**Robert V. Roosa**

**Lane Kirkland**

**John D. Rockefeller IV**

*TWENTIETH CENTURY FUND RUSSELL SAGE FOUNDATION*

**J. Paul Austin**

*FORD FOUNDATION*

**Andrew Brimmer**

**John Loudon**

*CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE*

**William A. Hewitt**

**Hedley Donovan**

**Thomas L. Hughes**

*BORDEN FOUNDATION*

**Zbigniew Brzezinski**

*ROCKEFELLER BROTHERS FUND*

**David Rockefeller**

*ROCKEFELLER FAMILY FUND*

**David Rockefeller**

**John D. Rockefeller IV**

*WOODRUFF FOUNDATION*

**J. Paul Austin**

*WORLD PEACE FOUNDATION*

**Robert B. Bowie**

The following media outlets are also linked to Trilateralism:

*NEW YORK TIMES*

**Cyrus B. Vance**

*CBS*

**Arthur B. Taylor**

**Henry B. Schacht**

*LOS ANGELES TIMES*

**Harold Brown**

*TIME. INC.*

**Hedley Donovan**

*FOREIGN POLICY MAGAZINE*

**Samuel P. Huntington**

**Thomas L. Hughes**

**Richard N. Cooper**

**Elliot L. Richardson**

**Marina von Neumann Whitman**

**Richard Holbrooke**

**Zbigniew Brzezinski**

*FOREIGN AFFAIRS*

**William M. Roth**

**C. Fred Bergsten**

*CHICAGO SUN-TIMES*

**Emmett Dedmon**

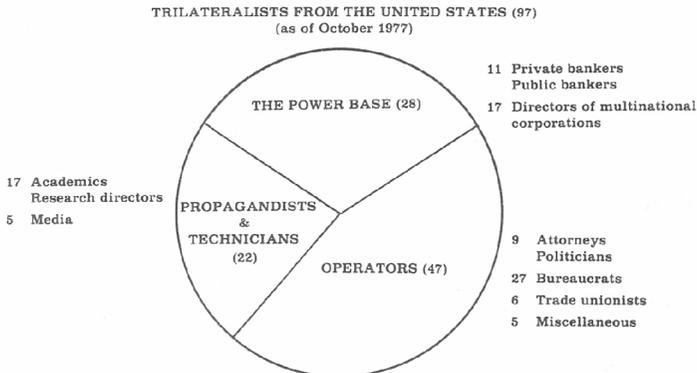
**POWER HOLDERS**

So, by elimination, we are left with a third group:

	Number of Commissioners	Percentage of Total U.S. Membership
Multinational corporate directors	17	17
International bankers	11	11
Totals	28	28

However, even the power holders are not the ultimate power base - that is an even smaller group, the American aristocracy itself. Power holders lay down guidelines for the propagandists and the research directors, and pass through objectives to the operators for implementation. Remember, a Richard Nixon goes to see international banker **David Rockefeller**, not the other way around. **Henry Kissinger** accepted a gift of \$50,000 from power holder Nelson Rockefeller, not the other way around. **Jimmy Carter** is invited to have lunch with **David Rockefeller**, not the other way around. A widespread myth in American society is that the president has completely independent power, that he is not beholden to some power base. Indeed, the president has power; but presidential power can in fact be applied only within carefully framed guidelines, and this has been the case at least since the days of President Grant.

So our Trilateral analysis looks like this:



Courtesy *The Trilateral Observer*, 1978

When we look at Trilateralists in the three Trilateral areas we can identify some differences, but these are not really of major distinction. Academics and industrialists are equally represented from all three areas. Media representatives and bureaucrats are more prominent from Europe. There are more American and European politicians than Japanese politicians. The diplomats are more likely to be European than American or Japanese.

So let's look more closely at these American commissioners, at names rather than numbers.

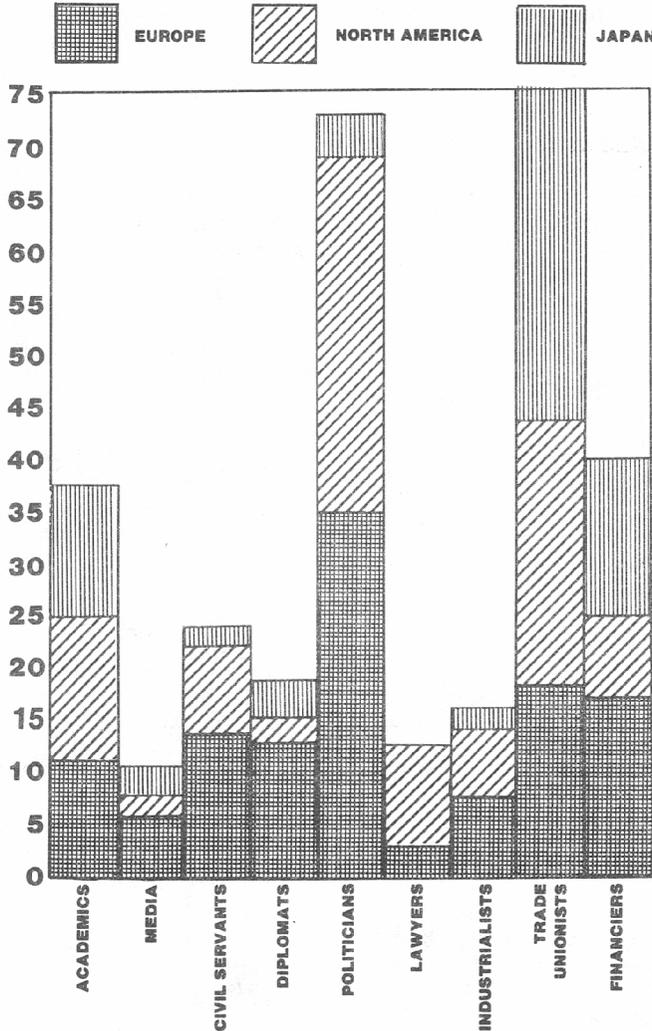
## **THE TRILATERAL LEGAL ESTABLISHMENT**

Nine of the American Trilateral commissioners are Establishment lawyers, from highly influential major law firms. The "revolving door" area between so-called public service and private gain, where attorneys alternate between private practice and the federal payroll, clouds more precise identification. For some reason, probably accidental, two of the nine lawyers are partners in the major Los Angeles law firm O'Melveny & Myers: senior partner, **William T. Coleman Jr.** (also a director of **David Rockefeller's** Chase Manhattan Bank and a former secretary of transportation); and **Warren Christopher**, who was a partner from 1958 to 1967 and again from 1969 until joining the present **Carter** administration as deputy secretary of state. Other attorney Trilateralists are well known in and around the halls of power: **George S. Franklin, Jr.** started out in a Wall Street law firm, soon became associated with the **Rockefeller** family, and is today coordinator of the Trilateral Commission. **George W. Ball**, member of the New York law firm of Cleary, Gottlieb, Steen & Ball, was recently chairman of the international banking firm Lehman Brothers International. **Gerard C. Smith**, formerly with the Washington firm of Wilmer, Cutler & Pickering is now ambassador-at-large for non-proliferation matters. **Lloyd N. Cutler** has also been a partner in Wilmer, Cutler & Pickering since 1962.

**Cyrus R. Vance**, secretary of state, was formerly partner in the venerable firm of Simpson, Thacher & Bartlett of New York, whose then partners aided the 1917 Bolshevik Revolution 2 in the same way as **Cyrus Vance** is today pressing the African Marxist guerrilla cause upon Rhodesia and South Africa. It is truly extraordinary how influential pro-Bolshevik actions in a mere handful of prestigious law firms can persist unpublicized and uninvestigated for over five or six decades. Commissioner **Paul C. Warnke**, presently director of the Arms Control and Disarmament Agency, was formerly a partner in the firm of Clifford, Warnke, Glass, McIlwain & Finney of Washington,

D.C. In brief, Trilateral attorneys are from the major old-line Establishment law firms.

### Primary Occupation of Trilateral Commission Members (Past & Present)



### POLITICS AND GOVERNMENT

A sizeable group of twenty-seven Trilateral commissioners can be categorized as professional politicians and professional bureaucrats,

thus reflecting the Trilateral need to control domestic government in order to fulfill Trilateral internationalist objectives. President of the United States **James Earl Carter, Jr.**, and Vice-President **Walter Frederick Mondale** are longstanding Trilateralists. **Carter** was brought in by **David Rockefeller** in 1973, as reported in the *Times* (London):

*Governor Jimmy Carter, the 1976 Democratic Presidential candidate, has for reasons known only to himself professed to be an innocent abroad, but the record is somewhat different. As Governor of Georgia, a state aspiring to be the centre of the New South, he led the state trade missions abroad. While in London in the autumn of 1973 he dined with another American visitor, but by no means an innocent, Mr. David Rockefeller of Chas(J Manhattan Bank.*

*Mr. Rockefeller was then establishing, with the help of Professor Zbigniew Brzezinski of Columbia University, an international study group now known as the Trilateral Commission. He was looking for American members outside the usual catchment area of universities, corporation law firms and government, was impressed by the Governor, if only because he had ventured abroad, and invited him to join. Governor Carter, perhaps because he was already eyeing the White House from afar, was only too happy to accept.*

In any event. five senators also are Trilateral commissioners:

**Senator Lawton Chiles.** Democrat, Florida

**Senator Alan Cranston.** Democrat. California, Senate majority whip

**Senator John C. Culver,** Democrat. Iowa

**Senator John C. Danforth,** Republican, Missouri

**Senator William V. Roth, Jr.,** Republican, Delaware

This neatly reflects the Democratic majority in the Senate. three Democrats and two Republicans; and it is notable that the Senate majority whip - a key Senate post - is a Trilateralist.

The following six Congressmen are Trilateralists:

**John B. Anderson,** Republican. Illinois. Chairman House Republican Conference.

**John Brademas.** Democrat, Indiana; majority whip.

**William S. Cohen.** Republican. Maine,

**Barber B. Conable, Jr.** Republican. New York

**Thomas S. Foley.** Democrat. Washington; chairman, House Democratic Caucus

**Donald M. Fraser,** Democrat, Minnesota; chairman, Democratic Conference and Americans for Democratic Action

Trilateralists also occupy key posts in the House, i.e., chairman of the House Republican Conference, majority whip, chairman of the Democratic Conference, and chairman of the House Democratic Caucus. In sum, Trilaterals have a lock on the legislative process.

The significance of this lock on the legislative process is brought into focus when we examine the political ideology of Trilateralism as expressed by **Crozier**, **Huntington**, and **Watanuki** in *The Crisis of Democracy*.

- The democratic political system no longer has any purpose.
- The concepts of equality and individualism give problems to authority.
- The media is not sufficiently subservient to the elite.
- Democracy has to be "balanced" (Le., restricted).
- The authority and power of the central government must be increased.

Weighing these totalitarian ideas which form the political philosophy of the commission against congressional membership in the Trilateral Commission, the reader will be tempted to ask, were these the political policies espoused by these politicians when elected to office?

Two present state governors are commissioners: **John D. Rockefeller IV** of West Virginia and **James R. Thompson** of Illinois. So are two former state governors, **William W. Scranton** of Pennsylvania, and **Daniel I. Evans** of Washington.

Finally, there are the permanent professional bureaucrats including **Elliot Lee Richardson**, now ambassador-at-large with responsibility for the UN Law of the Sea Conference (a major Trilateral objective); **Edwin O. Reischauer**, former ambassador to Japan and reportedly close to the Rockefeller family; **Russell E. Train**, former administrator of the Environmental Protection Agency; **Richard Charles Holbrooke**, now assistant secretary of state for Far Eastern affairs;

**Gerald L. Parsky**, former assistant secretary of the treasury for international affairs; **Richard N. Gardner**, now ambassador to Italy; **George Bush** former director of the Central Intelligence Agency; **Anthony Soloman**, now under-secretary of the Treasury for monetary affairs; **Philip H. Trezise**, former assistant secretary of state for economic affairs; and **Lucy Benson**, under-secretary of state for security assistance.

We can identify twenty-seven Trilateralists now or recently in the executive branch of the United States government and always in top policy making positions. Just how closely this elite monopolizes top administration jobs in Republican and Democratic administrations can be illustrated by looking back to President Ford's cabinet shuffle of November 1975. Under media headlines of "sweeping changes" in the cabinet, Ford "discarded" Secretary of Defense **Schlesinger**, who is now Secretary of Energy in the **Carter** administration. Ford also installed Trilateralist **Elliot Lee Richardson** as Secretary of Commerce, who is now Ambassador-at-Large in the **Carter** administration and previously had been undersecretary of state in the Nixon administration. Trilateralist **George Bush** was a Nixon appointee to CIA, and **David Packard**, a businessman Trilateralist, was an ardent Nixonite and formerly deputy secretary of defense.

In brief, top administration jobs - Republican and Democrat - are being filled from a talent pool dominated by the Trilateral Commission. This selective process of filling top Executive Department slots with Trilateralists has been deliberate and ruthless. Before President **Carter** formally took office, numerous Trilateralists were appointed as follows:

**Zbigniew Brzezinski** - assistant to the president for national security affairs

**Cyrus Vance** - secretary of state

**Harold Brown** - secretary of defense

**W. Michael Blumenthal** - secretary of the treasury

**Andrew Young** - ambassador to the United Nations

**Warren Christopher** - deputy secretary of state

**Lucy Wilson Benson** - under secretary of state for security affairs

**Richard Cooper** - under secretary of state for economic affairs

**Richard Holbrooke** - under secretary of state for East Asian and Pacific affairs

**W. Anthony Lake** - under secretary of state for policy planning

**Sol Linowitz** - co-negotiator on the Panama Canal Treaty

**Gerald Smith** - ambassador-at-large for nuclear power negotiations

**Elliot Richardson** - delegate to the Law of the Sea

**Conference Richard Gardner** - ambassador to Italy

**Anthony Solomon** - under secretary of the treasury for monetary affairs

**C. Fred Bergsten** - assistant secretary of the treasury for international affairs

**Paul Warnke** - director, Arms Control and Disarmament Agency

**Robert R. Bowie** - deputy director of intelligence for national estimates

If these appointments were from a single ethnic group, or graduates of a single university, or residents of a single state, or even members of a single club, the public outcry would have been immediate and deafening. In fact, their commonality is far more serious: Trilateralists represent a political philosophy alien to the American tradition. *The Crisis in Democracy* is devoted to the theme that the American system needs to be discarded and totalitarian central authority substituted. Why was there no public outcry? Simply because media reporting was superficial and stifled, people did and presently do not know.

## TRADE UNIONS

Six prominent American trade unionists are Trilateralists (as of October 1977.)

Three early Commissioners were **I. W. Abel**, president United Steel Workers of America; **Lane Kirkland**, prominent in the AFL-CIO efforts to elect **Jimmy Carter** as president and **Leonard Woodcock**, formerly president of United Auto Workers Union and more recently chief U.S. envoy to China for the **Carter** administration. Three recent union Trilateralists are **Glenn E. Watts**, president of Communications Workers of America, **Martin J. Ward**, president of United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the U.S. and Canada; and **Sol Chaikin**, president of the International Ladies Garment Workers Union. These prominent trade unionists need to read some modern history: a close association of unions and big business is the hallmark of a fascist economy. Notably,

George Meany is not a Trilateralist and has retained an outspoken criticism of Wall Street globalists. Remember, too, that Meany has been a persistent critic of the Wall Street construction of a Marxist world. While all the businessmen Trilateralists, including such self-styled "conservatives" as **David Packard**, have been outspokenly pro-Soviet when it comes to subsidizing the Soviet military machine with American technology and aid.

## THE MEDIA

Trilateralist media representation, although not large in numbers, is highly influential. Of five media commissioners, three are relatively insignificant: **Doris Anderson**, editor of *Chatelaine Magazine*; **Carl Rowan**, columnist and **Arthur R. Taylor**, formerly head of the CBS network, dismissed in October 1976.

Two media Trilaterals are highly influential: **Emmett Dedmon** is editorial director of the *Chicago Sun-Times*, published by Field Enterprises. The chairman of Field Enterprises, Inc. is **Marshall Field V.** who is also a director of First National Bank of Chicago. **Marshall Field V** operates Field Enterprises under an exhaustive agreement with his half brother "Ted." Frederick W. Field; and Field ownership is significant because of Trilateral connections with the First National Bank of Chicago. In any event *Chicago Sun Times* is the sixth largest newspaper in the U.S. (daily circulation 687,000.)

Another influential media Trilateralist is **Hedley Donovan**, editor-in-chief of *Time*. member of the Council on Foreign Relations and director of the Carnegie Endowment for International Peace. According to the U.S. Labor Party:

*Donovan played a central role in the "faking of the President, 1976. Under his Trilateral direction, Time functioned as a black propaganda vehicle throughout the campaign and post-election period, painting Carter as an "outsider" with no connections with the corrupt politics of Washington, D.C. and Wall Street. This "image building" provided the crucial cover for the planned vote fraud, and Time played a crucial cover-up role as widespread evidence of the Nov. 2 fraud surfaced.*

Trilateral disdain for the First Amendment is a factor working strongly against generally sympathetic media attention. On the other hand, Trilateralist intervention in day-to-day media operation, by use of the traditional telephone call, is probable, given the numerous Trilateral corporate directors in the media: **Henry B. Schacht** is a director of CBS; **Sol Linowitz** is a director of *Time*; **J. Paul Austin** is a director

of Dow Jones; **Harold Brown** is a director of Times-Mirror Corporation; **Archibald K. Davis** is a director of Media General, Inc.; **Peter G. Peterson** is a director of Great Book Foundation and National Education TV; **William M. Roth** is a director of Athenum Publishers; and **Cyrus Vance** is a director of the New York Times. Their presence is ominous. However, any persistent intervention to kill or reorient stories will backfire. Most media people are professionals rather than propagandists.

Other Trilateral influence, albeit indirect, stems from appointments such as that of Sharon Percy Rockefeller to the Board of Directors of the Corporation for Public Broadcasting (CPB); Sharon is the wife of Commissioner **John D. Rockefeller IV**, governor of West Virginia. The CPB "closed shop" is already under fire in the media interesting as a minor example of the basic game plan to blur the distinction between "public" and "private" for Trilateralist profit.

## ACADEMIC AND RESEARCH INSTITUTIONS

The media may be a Trilateral weak spot but its numerous links with the academic and research world are its strong points. The academic-research world is not only the "brains" of Trilateralism but the suppliers of many capable operators, that is, academics dissatisfied with the rewards of academe who search for the bright lights and the ego-satisfaction of power manipulation.

Among the more obvious of such academics are **Henry Kissinger** (Harvard); **Arjay Miller** (Stanford, formerly Ford Motor); **Paul McCracken** (University of Michigan); **John C. Sawhill** (president, New York University); **Harold Brown** (president, California Institute of Technology and director of Schroders, Ltd.); **Hendrik S. Houthakker** (Harvard); **Zbigniew Brzezinski** (Columbia); **Marina von Neumann Whitman** (Manufacturers Hanover Bank and University of Pittsburgh); **Gardner Ackley** (Michigan); **David M. Abshire** (Georgetown); **Graham T. Allison, Jr.** (Harvard); **Robert Bowie** (now deputy director of intelligence for National Estimates); **Gerald L. Curtis** (Columbia); and **Carroll L. Wilson** (MIT).

Finally, and by no means least, **Bruce King MacLaury**, head of Brookings Institution which provides the policy input for the **Carter** administration and **Thomas L. Hughes**, president of the ever-present Carnegie Endowment for International Peace.

## **CONTROL OF THE EXECUTIVE BRANCH BY TRILATERALISTS**

This massive infiltration of government from the top down by an alien philosophy is typified by the National Security Council whose four members have a statutory function to advise the President with regard to "the integration of domestic foreign and military policies relating to the national security." Its four members are all Trilateralists:

**JIMMY CARTER**

**WALTER F. MONDALE**

**CYRUS R. VANCE**

**HAROLD BROWN**

Similarly the Council on International Economic Policy, has eleven members including three Trilateralists:

**Cyrus R. Vance**

**W. Michael Blumenthal** (Chairman)

**Harold Brown**

What does it all add up to? The Greek newspaper *Exormisis* summed it all up even before the 1976 election:

*"A new kind of fascism emerges with Carter. The oppression will not have the form we used to know, but it will be the "de-politicization" of all citizens in the U.S., and the generating of all power in the executive branch, that is, the Presidency, without the President giving any account to the Congress or anybody else except the multi-nationals, which have financed Carter's campaign...The accession to power of Carter, who tries to present himself as the protector of the poor and the weak, would mean a new era of dictatorial policies. "*

## **CANADIAN TRILATERALISTS**

North America" for Trilateralism includes only the United States and Canada, with a seeming distinct preference for Quebecois Canadians. A glaring omission from the commission is Mexico - there are no Mexican commissioners. Mexico, in spite of its enormous economic potential, is delegated to the "rest of the world" category. The twelve Canadian Trilateralists as of October 1977 are divided as follows:

Politics and Government	3
Corporations	3
Research Institutions	2
Banking	2
Trade Unions	1
Legal Establishment	<u>1</u>
Total	12

From the viewpoint of Canadian independence, Canadian Trilateral membership is disturbing because it includes two members of Parliament, **Gordon Fairweather** and **Mitchell Sharp** (former Canadian minister of foreign " affairs), along with the directors of three quasi-official research institutions, **Peter Dobell**, **Michael Kirby**, and **Louis A. Desrochers** (founding director of the Institute for Research on Public Policy). **Claude Masson**, head of the Division of Planning and Research at the Department of Trade and Commerce, Ottawa, is also a Trilateralist. In brief, there is a heavy Canadian representation from the equivalents of Brookings Institution. Canadian corporate representation includes **Robert W. Bonner** (British Columbia Hydro), **Maurice F. Strong** (Petro Canada), and **Jean-Luc Pepin** (director of American multinationals in Canada, Le., Westinghouse Canada, Ltd.; Collins Radio Company of Canada, Ltd.; Celanese Canada, Ltd.; and others). Finally, Canadian banking Trilateralists are **Michel Belanger**, of the Montreal Stock Exchange, and **Alan Hockin**, formerly with Morgan Stanley and now executive vice president of Toronto Dominion Bank.

## FORMATION OF A TRILATERAL ADMINISTRATION

The creation of a **Carter** administration image of anti-Establishment arianism while simultaneously creating a Trilateral administration is typically the deceptive operational approach taken by this self-appointed elite. Take the first half dozen appointments and look at their associations and allegiances. The administration was at some pains to show a competition for posts and promoted the idea that anti-Establishment and non-Establishment persons would be appointed. See, for example, the Wall Street Journal on 2 December 1976 concerning the meeting of sixteen candidates in Plains, Georgia. The initial sequence of appointments went like this:

### APPOINTMENT NUMBER 1

Bertram Lance: president of National Bank of Georgia (Atlanta) to be director of Office of Management and Budget (OMB). This is a vital, central post for plans to centralize the U.S. economy. Lance is not a Trilateral and has since departed.

### APPOINTMENT NUMBER 2

**Cyrus Vance**: Secretary of State, Trilateralist. At the time of taking office, **Vance** was a partner in Simpson, Thacher & Bartlett; a director of IBM, Pan American World Airways and Aetna Life Insurance; a member of the Democratic party, Foreign Policy Task Force, Council on Foreign Relations (vice-chairman of the board), and the Trilateral Commission; and also a former deputy director of defense.

### APPOINTMENT NUMBER 3

**W. Michael Blumenthal**: secretary of treasury, also a Trilateralist. Who is **Blumenthal**? Like **Henry Kissinger**, he was born in Germany and came to the U.S. at the age of twenty-one. At the time of taking office, he was chairman of Bendix Corporation and formerly in the Kennedy administration as deputy for the secretary for economic affairs, member of the Trilateral Commission, and the Council on Foreign Affairs, and the Initiative Committee for National Economic Planning (with **Irwin Miller** and **Robert McNamara**.)

After this third appointment, there was definite feedback in newspapers and radio that the "liberals" felt they had been betrayed because appointments and rumors of appointments did not include them. The result? Jane Cahill Pfeiffer, vice president of IBM, strongly pushed for commerce secretary as Appointment Number 4 dropped out, and the next two appointments went to big government liberals:

### APPOINTMENT NUMBER 4

**Brock Adams**: transportation secretary. Also a Trilateralist.

### APPOINTMENT NUMBER 5

Congressman **Andrew Young** as ambassador to U.N. Trilateral.

### APPOINTMENT NUMBER 6

**Zbigniew Brzezinski**: executive director of Trilateral Commission was appointed national security adviser. Who is **Brzezinski**? By explicit statement, Trilateralists reject the Constitution and the

democratic political process; in *Between Two Ages*, **Brzezinski** (**Carter's** sixth appointment) wrote as follows:

*The approaching two-hundredth anniversary of the Declaration of Independence could justify the call for a national constitutional convention to reexamine the nation's formal institutional framework. Either 1976 or 1989 - the two hundredth anniversary of the Constitution - could serve as a suitable target date culminating a national dialogue on the relevance of existing arrangements...Realism, however, forces us to recognize that the necessary political innovation will not come from direct constitutional reform, desirable as that would be. The needed change is more likely to develop incrementally and less overtly...in keeping with the American tradition of blurring distinctions between public and private institutions.*

According to Huntington of *Foreign Policy* magazine, an "election coalition" may be abandoned after political office has been achieved; a politician does not have to keep his word to the electorate. **Jimmy Carter** is a supreme example of Trilateralism in practice. When **Brzezinski** refers to "develop(ing) incrementally and less overtly" he is specifically recommending a deceptive "salami-type" approach to abandonment of the Constitution. Perhaps some readers may consider this to be the essence of subversion. If so, they had better do something about it, because no one in Congress has yet plucked up enough courage to even call for an investigation of Trilateralism.

As individuals, Trilateralists live in a make-believe world. They are part of the same crowd that squandered \$300 billion and fifty thousand American lives over a decade in Vietnam, then scuttled out, tail between legs, while then Vice-President Nelson Rockefeller forbade public discussion and investigation of the Vietnam debacle. Have you seen a congressional investigation or public inquiry into this, the most scandalous waste of lives and materials in American history? Furthermore, Trilateral ambitions are greater than Trilateral intellects. While priding themselves on an international outlook, Trilaterals are, in fact, quite close-minded and provincial in outlook. Their writing reflects this predictable pattern:

- a. It has limited, repetitive, and shallow themes and key words such as "interdependence, cooperation, global."
- b. Opportunism is presented as altruism.
- c. It espouses an amoral view of human motivation. (This author has personally heard a prominent Trilateralist call

on a select audience to take pecuniary advantage of government handouts.)

Trilaterals represent an elite, kept afloat by sheer audacity and by the traditionally slow reaction of citizenry in a still reasonably free society. Unfortunately, reaction to elitism is usually stimulated only by overt oppression.

The basic game plan of the Trilaterals? To blur the separation between "private wealth" and "public service" for Trilateral advantage; public wealth is to be oriented to private Trilateral ends.

## **ENDNOTES: CHAPTER TWO**

1. Washington Post, 16 January 1977.
2. See Antony C. Sutton, *Wall Street and the Bolshevik Revolution* (New York: Arlington House Publishers, 1974).
3. Times (London), 24 July 1976.
4. Michel J. Crozier, Samuel P. Huntington, Joji Watanuki *The Crisis of Democracy* (New York: University Press, 1975).
5. U.S. Labor Party, *The Trilateral Commission's Coup d'Etat* (New York: Campaign Publications, Inc., 1977), p. 13. .
6. Exormisis, 23 July 1976.
7. Zbigniew Brzezinski, *Between Two Ages: America's Role in the Technetronic Era* (New York: Viking Press, 1973), p. 246.

## CHAPTER THREE

### THE POWER STRUCTURE

#### PART II

Moving up from the lower levels of the Trilateral Commission described in the last chapter, let us now focus on the higher echelons. Organizing and directing the overall activities of the commission itself is a North American executive committee, with yet another and virtually unseen power base behind it. The identity of this Trilateral power base varies according to the observer. Most American observers zero in on the international bank affiliation. While constitutional conservatives focus on the **Rockefeller** family and Chase Manhattan Bank as the culprits, liberal-leftists focus on bankers in general. A radically different interpretation is that of the U.S. Labor party. The latter considers the Rockefeller label to be a "cover," that Trilateralism is a "British conspiracy" operation to infiltrate the U. S., using **Henry Kissinger** as a conduit. Unfortunately, the United States Labor party seems intent on substituting Lyndon LaRouche, Jr., and a "dirigiste" economy for Trilateral authoritarianism and a Trilateral-directed economy, which will leave the average citizen no better off than he was before. Totalitarianism under any label spells loss of freedom.

#### THE NORTH AMERICAN EXECUTIVE COMMITTEE

Let's first look at the Trilateral North American Executive Committee and its members:

**I. W. Abel:** president, United Steel Workers of America; member, Executive Committee Trilateral Commission; member, War Production Board and War Manpower Commission, 1941-45. Election to the USWA presidency in 1965.

**Robert W. Bonner** (Canadian): chairman, British Columbia Hydro.

**William T. Coleman Jr.:** senior partner, O'Melveny & Myers; former secretary of transportation in the Ford administration; director of Chase Manhattan Bank.

**Robert S. Ingersoll:** director of First Chicago Corporation (and First National Bank of Chicago); Borg Warner, Kraft, Inc.; Weyerhaeuser Company; AtlanticRichfield; Caterpillar Tractor. Also deputy chairman of the University of Chicago Board of Trustees, trustee of Aspen Institute of Humanistic Studies and California Institute of Technology. Resigned from Borg Warner to become U.S. ambassador to Japan, then assistant secretary of state for Far Eastern affairs, then deputy secretary

The August Corporation

of state, Resigned March 1976. A typical example of "revolving door" elitism and the "closed-shop" nature of U.S. decision making.

**Henry Kissinger:** former secretary of state, now on the International Advisory Board of Chase Manhattan Bank.

**Bruce K. MacLaury:** president of Brookings Institution, formerly president of Federal Reserve Bank of Minneapolis and deputy under secretary of the treasury for monetary affairs.

**Henry Owen:** fellow, Brookings Institution, formerly State Department Intelligence Division.

**Charles W. Robinson:** senior managing director of Kuhn, Loeb & Company and former deputy secretary of state.

**David Rockefeller:** chairman, Chase Manhattan Bank and chairman, Council on Foreign Relations (CFR).

**William M. Roth:** Matson Navigation, Pacific National Life Assurance Company, Carnegie Institution, Committee for Economic Development.

**William W. Scranton:** former governor of Pennsylvania.

**Mitchell Sharp** (Canadian): former minister for external affairs.

The most startling observation is that three members of this twelve-man executive committee are Chase Manhattan people. (**Rockefeller** and **Coleman** are directors and **Kissinger** is on the International Advisory Committee.) Later we shall explore the Rockefeller-Chase Manhattan connection in more detail - it suffices at this point to note that **G. William Miller** (chairman, Federal Reserve Board) was also on the Chase International Advisory Committee just before appointment to the Fed. Other Trilaterals on the Chase Manhattan Advisory Committee are the following:

**Robert Marjolin**

**Giovanni Agnelli** (Fiat)

**Chujiro Fujino** (Mitsubishi)

**Sir Reay Geddes**

**William W. Hewitt** (Deere & Company)

In brief, no fewer than eight members of the governing boards of Chase Manhattan Bank are also Trilaterals. One can certainly question this unusual coincidence without being accused of either paranoia or oversimplification.

The twelve executive committee members can be further grouped as follows:

- a. Two from Brookings Institution, the **Carter** "think tank" - **MacLaury** and **Owen**.
- b. Four former ministerial-level appointees - Commissioners **Kissinger**, **Scranton**, **Sharp** (Canada), and **Coleman**.
- c. Two "revolving door" specialists - Commissioners **Ingersoll** and **Robinson**, both former deputy Secretaries of state.
- d. Two ad *hoc* industrialists – Commissioners **Bonner** and **Roth**.
- e. One trade unionist - Commissioner **Abel**.
- f. The founder of the Trilateral Commission, chairman of its executive committee, chairman of the Council on Foreign Relations, and chairman of the Chase Manhattan Bank - **David Rockefeller**.

Comparing the October 1977 executive committee to that of March 1975 we find some significant differences: four members had quit to take highest level positions in the **Carter** administration: **Harold Brown** became secretary of defense; **Zbigniew Brzezinski** became national security advisor to President **Carter** (**Brzezinski** had been executive director of the Trilateral Commission from its inception); **Gerard C. Smith** became ambassador-at-large for non-proliferation matters; and **Paul C. Warnke** became director of the Arms Control and Disarmament Agency. As we have noted, many other commissioners moved into the **Carter** administration (including, of course, **James Earl Carter** and **Walter Mondale**); but it is significant that no fewer than one-third of the executive committee moved into the *top security slots in the new administration*.

In brief, we can note two outstanding characteristics:

- a. The Chase Manhattan Bank dominates the Trilateral Commission, and
- b. The Trilateral Commission dominates the U.S. executive branch.

In the words of the Washington Post (16 January 1977)

*At last count, 13 Trilateralists had gone into top positions in the administration, not to mention six other Trilateralists who are established as policy advisers, some of whom may also get jobs. This is extraordinary when you consider that the Trilateral Commission only has about 65 American members.*

## THE TRILATERAL POWER BASE

Run your eye down the list of executive committee members. Who is the most powerful individual among them? There is no doubt that **David Rockefeller** dominates the executive committee, and thus the commission itself. Even if we are generous (or naive) and see the executive members as equals, then David would surely be *primus inter pares*. It is, however, naive to see **David Rockefeller** as an omnipotent dictator or the Rockefeller family as an all-powerful monarchy. This is a trap for the unwary. Our world is much more complex. We are looking at a family of families, a collective of power holders with at least several hundred, perhaps several thousand, members, who collectively aim to divert the world, not just the United States, to their own collective objectives.

Let's start at the beginning. The Trilateral Commission was **David Rockefeller's** idea and promoted with David's funds. (Leave aside for the time being the U.S. Labor party theory that Trilateralism uses the Rockefellers as a "cover" for a "British conspiracy.")

An interview with **George S. Franklin**, commission coordinator, by Michael Lloyd Chadwick, editor of *The Freeman Digest*, published in Provo, Utah, is the most authentic version of the founding process which has yet surfaced. This portion of the interview follows:

*MR. CHADWICK: Mr. Franklin... you were a participant with Mr. David Rockefeller, Robert Bowie, Zbigniew Brzezinski and Henry Owen in forming the Trilateral Commission. Would you provide us with a brief history of how it came into existence?*

*MR. FRANKLIN: David Rockefeller, in the winter and spring of 1972, gave several speeches to the Chase Bank forums in London, Brussels, Montreal and Paris. He recommended the establishment of an international commission on peace and prosperity which in fact is now the Trilateral Commission. He didn't receive an enthusiastic response in these meetings and he dropped the idea. He thought, If the Chase Bank Forums don't respond favorably to my suggestion then it's probably a lousy idea."*

*He then went to a Bilderberger meeting. Mike Blumenthal was there (now Treasury Secretary), and he said, You know, I'm very disturbed...Cooperation between these three areas - Japan, the United States and Western Europe - is really falling apart, and I foresee all sorts of disaster for the world if this continues. Isn't there anything to be done about it?" David*

*then thought, I'll present the idea once more," which he did, and he aroused great enthusiasm. The next eight speakers said that this was a marvelous idea; by all means, somebody get it launched.*

*David wasn't quite sure whether these were all his friends. He wasn't quite sure if they were being polite or if they really thought it was a good idea. So he took Zbig Brzezinski back on the plane with him. Zbig thought it was a very good idea and had done some writing on it. Bob Bowie had done some writing on it too. When he got back, David asked me if I would go back to Europe and talk to some people more at leisure and see if they really thought this was a good idea. They truly did.*

*David and I went to Japan in June of 1972 and he talked to a lot of people there. They thought it was a good idea, so we had a meeting of 13-15 people at his place in Tarrytown (ed: New York).*

*It was decided to go ahead and try to organize and form it.*

. There is no reason to doubt that formation came about in any other way - at least we have no evidence that **Franklin** is hiding anything. But note that the way the Trilateral Commission was founded suggests a loose power coalition, sometimes in competition, sometimes in cooperation, rather than a small, tight, iron-fisted conspiracy run by the **Rockefellers**.<sup>1</sup>

## **SOURCE OF TRILATERAL FUNDS**

Where did the funding come from? The source of funds is always a reliable clue to the source of power. Again to quote the Chadwick article:

*In the meantime David Rockefeller and the Kettering Foundation had provided transitional funding.*

*In January of 1973 Gerald Smith, Max Kohnstamm, Zbigniew Brzezinski and George Franklin held consultations with Takeshi Watanabe and the Japanese planning group members in Tokyo. It was during this time period that approval of the highest political and financial circles was obtained.*

*In February of 1973 a formal proposal was submitted to the Ford Foundation to support the majority of the intellectual and research projects of the Commission. The funds were also to provide for administrative and promotional activities.*

*In February additional support was also obtained from several other foundations.*

What is The Kettering Foundation? There are three "Kettering Foundations." This citation almost certainly refers to the Charles F. Kettering Foundation, Dayton, Ohio. **Charles F. Kettering**, the donor, was with General Motors for twenty-seven years and held among other positions, director-ships of Ethyl Corporation (important for transfer of petroleum technology to Hitler pre-World War II) and Sloan-Kettering Institute for Cancer Research (in mounting trouble over credibility of its cancer research programs). The assets on the early 1970s were about \$93 million, with no grants to individuals, only to "high-risk programs" to "support the forces for world order and peace." <sup>2</sup>

Better known than the Kettering Foundation is the Ford Foundation with **McGeorge Bundy** as president and among the trustees Robert S. McNamara and J. Irwin Miller, both of whom have a long history of promotion of globalist interventionist projects.

Once again we have evidence of a widespread and rather loose coalition: "approval of the highest political and financial circles was obtained," including the trustees of maybe half a dozen foundations.

We can thus conclude that the Trilateral Commission

1. Originated with **David Rockefeller**
2. Was chosen by **David Rockefeller** and a small group of four assistants, and
3. Was financed in great part by **David Rockefeller**, the Kettering Foundation, and the Ford Foundation.

Without being accused of hastiness or bias, one can reasonably conclude that **David Rockefeller** is the power behind The Trilateral Commission, and, presumably stands to gain most from its activities.

A mistake made by many analysts is to assume that because the Rockefellers exercise immense corporate power and demonstrably dominate Trilateralism and similar vehicles that they are the only holders of such power and therefore control a "conspiracy." Whether there is, or is not, a conspiracy is really irrelevant. If it is a conspiracy, it is the most open conspiracy in world history. What is important is intention. Obviously, the trustees of the Kettering Foundation and Ford Foundation, with immense resources at the ready to promote "world order," are right there with David. Analysis needs to push further into the forest than the **Rockefeller** family group.

What are the practical levers of power? Political influence is not created in a vacuum: it comes largely from financial backing. Who provides most financial backing? Who has the power to finance or not to finance? And who gains? In our society it is the major institutions such as labor unions, multinational corporations (MNCs), foundations, and international banks. Obviously, Trilateralism was not founded by labor unions or any group of ambitious academics. The first step in our analysis then is to portray the links of Trilateralists with international banking and MNCs. Such links are complex because bank interlocks are complex. Banks are interwoven into a network, controlling the U.S. economy in a large part through stock voting, debt holding, and interlocking directorships.

The diagram that follows is a highly simplified portrayal of this network (for all the criss-crossing lines) based on information released by congressional committees. It is drawn to highlight several facets of the power base:

- There is an interlock between major banks mostly oriented overseas,
- This interlock is measured by the stockholding rank that one bank holds in another, Trilateral commissioners are plotted onto the bank interlocks,
- The end result is a reflection of the political financial power network based on international banks, identifying the location of Trilateral representatives in the network.

Don't be concerned about the complexity of this diagram. Focus attention on the top one-third. The two large triangles represent two potential financial power bases: the **Rockefeller** family group on the left and the Kirby-Allegheny group on the right. Why is the Kirby-Allegheny group important? Only because in terms of financial power as measured by stock voting it is right up there with the Rockefellers. Yet an interesting and fundamental comparison can be made between the two financial groups. Note the following (reading from the diagram):

- The **Rockefellers** are the Number 1 stockholder in Chase Manhattan Corporation with 591,533 votes, while Kirby-Allegheny Corporation (Number 3) has 300,000 votes. (The Number 2 stockholder is California Employees Retirement System.)

- The **Rockefeller** family group has no direct holdings in Citicorp (although Chase Manhattan Corporation is Number 11 holder with 1,001,000 votes), but Kirby-Allegheny group is Number 6 holder in Citicorp with 1,661,000 votes.
- The Kirby family group controls Investors Diversified Services with interests in numerous multinationals: Northwest Airlines; Pepsico, Inc.; Atlantic Richfield, Inc.; and so on.

Look at the diagram again, at the smaller black triangles which represent Trilateral members. The **Rockefeller**-dominated bank influence in the commission can now be followed precisely:

- Two Trilaterals are in the Rockefeller family group (**David and John D. Rockefeller IV**, governor of West Virginia,)
- The **Rockefeller** family group is Number 1 shareholder in Chase Manhattan Corporation. Six Trilaterals are on the board of Chase Manhattan Corporation.
- In turn, Chase Manhattan Corporation is Number 1 stockholder in First Chicago Corporation. Three Trilaterals are on the board of First Chicago Corporation. (The reader can trace the other influences from the diagram.)
- Seven Trilaterals are on the Chase International Advisory Board.
- The Kirby-Allegheny group has no Trilaterals at all.

What is the vital difference between the **Rockefeller** family group and the Kirby family group? There is one all-important distinction between the two financial groups. **Rockefellers** are *politicized*. *Kirbys* are not. **Rockefellers** *apparently subvert the political process to gain their objectives*. *Kirbys* *apparently do not*.

An interesting historical note is that (today) no families directly control J. P. Morgan and its subsidiary, Morgan Guaranty. The one-time fiefdom of J. P. Morgan and the Morgan family was the power behind the creation of the Federal Reserve System in 1913 and the power behind the throne of Woodrow Wilson. Today Number 1 stockholder in J. P. Morgan is Citibank and Number 2 stockholder is Chase Manhattan Corporation. Moreover, J. P. Morgan controls Morgan Guaranty which, in turn, is Number 1 stockholder in Citicorp.

What does this picture add up to? It is like a snake swallowing its own tail, or a nest of snakes swallowing each other's tails. The essential point to hold in mind, however, is that a global multinational corporation (Chase Manhattan) is in control of a power vehicle that controls the U.S. government. In 1976 the American voter thought he had elected **Jimmy Carter**; in fact, he has elected Chase Manhattan. And the ideology of the global corporation is entirely different from the philosophy on which the Constitution of the United States is based. For example, Citicorp Chairman Walter Wriston phrases it this way:

*The development of the World Corporation into a truly multinational organization has produced a group of managers of many nationalities whose perception of the needs and wants of the human race know no boundaries. They really believe in One World.*<sup>3</sup>

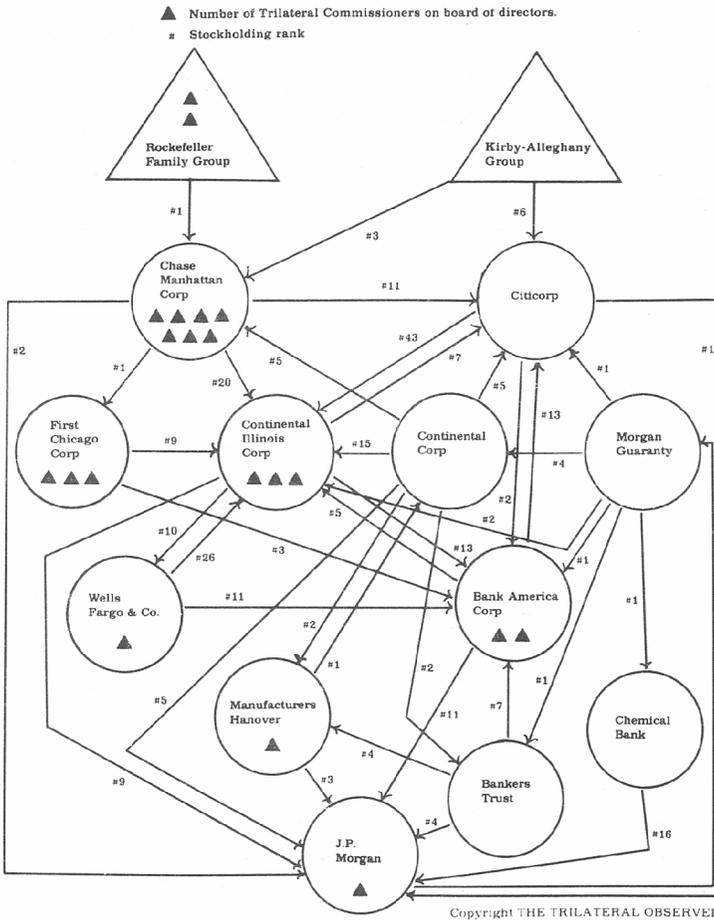
These would-be global managers have rejected the United States. As Richard J. Barnet comments in *Global Reach*:

*The global corporation is the ideal instrument for integrating the planet, the World Managers contend, because it is the only human organization that has managed to free itself from the bonds of nationalism.*<sup>4</sup>

The economic clout of these "World Managers" must be offset by a tunnel vision endemic to globalists. This is not a paradox. Global aspirations are induced by greed, the ruthless drive for profit and power; and trampling on anyone in the way to achieve the globalist goal is not discouraged. Their own ambitions are openly placed above human welfare. As Wriston states:

*In this dialogue, the role of the world corporation as an agent of change may well be even more important than its demonstrated capacity to raise living standards.*<sup>5</sup>

**SIMPLIFIED DIAGRAM CONTRASTING TRILATERAL REPRESENTATION AND STOCKHOLDING INTEREST IN TWO FINANCIAL GROUPS**



The illusions suffered by the global corporatists are strange indeed. Bank of America President **A. W. Clauson** states:

*The expansion of our consciousness to the global level offers mankind perhaps the last real chance to build a world order less coercive than that offered by the nation-state.*<sup>6</sup>

We have to suppose **Clauson** is serious and doesn't see the humor of this statement: large corporations are notorious for their authoritarian structures, the Bank of America not excluded. How an authoritarian attitude can create a "less coercive" world is beyond understanding.

Walter Wriston of Citibank offers the same illusion:

*The World Corporation has become a new weight in an old balance and must play a constructive role in moving the world toward the freer exchange of both ideas and the means of production so that the people of our planet may one day enjoy the fruits of a truly global society. This is a goal worthy of us all.*<sup>7</sup>

Despite the illusions and inconsistencies, the globalist would-be World Managers, are getting ready for their revolution: changing corporate names to non-American, internationally neutral titles. Some examples are these:

- Standard Oil of New Jersey is now EXXON neutral in almost any language and without the geographical attachment of "New Jersey."
- City Bank of New York, an old-time New York bank is now, under Henry Wriston, neutral Citibank or Citicorp.
- U.S. Rubber is now Uniroyal.
- Minnesota Mining and Manufacturing is now just plain 3M.
- American Metal Climax is AMAX.

We can suppose the next move will be for the budding World Managers to neutralize their own names: Rockefeller will become "Rokafela"; Clauson will become "Klorson."

One of these global corporations, Caterpillar Tractor, has no fewer than three Trilateralists (**Ingersoll**, **Morgan** and **Packard**) on its board of directors; and **David Rockefeller** tells how he was prompted to conceive the original Trilateral idea when he visited World Headquarters of Caterpillar Tractor in Peoria, Illinois. Caterpillar lives and breathes globalism. Its 1976 annual report, for instance, has a map of the world on the front cover with the Caterpillar logo superimposed: The corporate address is "World Headquarters, Peoria, Illinois." The introductory pages are full of globalist gobbledygook: "world forums," "world-wide respect" and "positive contributions of multinational business enterprise."

What these World Managers do not see is that their philosophy is pure totalitarianism, removed only infinitesimally from the Hegelian philosophies of Adolf Hitler and Josef Stalin. In practice, in their own corporations these globalists are ruthless authoritarians - and outside

impartial observers remain unconvinced that the expansion of the budding World Managers' corporate horizons to globalism will allow them to understand the values of individual freedom.

## **TOTALITARIAN TAKEOVER OF THE U.S. EXECUTIVE BRANCH**

A straightforward and reasonable conclusion is that there has apparently been a covert fascist (national socialist) takeover of the United States government. By fascist we mean a corporate socialist state of the type established by socialist Mussolini in Italy in the 1920s. All forms of socialism derive from the same philosophical bases. Mussolini was editor of a Marxist socialist newspaper before developing his own brand of corporate socialism based on Marxist ideology. Corporate socialism was later promoted in the United States by General Electric Chairman Gerard Swope and became Roosevelt's New Deal (i.e., "Swope's Plan"). Herbert Hoover described the New Deal in this way:

*Among the early Roosevelt fascist measures was the National Industry Recovery Act (NRA) of June 16, 1933. The origins of this scheme are worth repeating. These ideas were first suggested by Gerard Swope of the General Electric Company...following this they were adopted by the United States Chamber of Commerce...<sup>8</sup>*

It is socialist revolution by stealth: rather than by blood in the streets, but revolution just the same. Trilateralism is the current operational vehicle for a corporate socialist takeover. The bitter joke is that Roosevelt and **Carter** have been mainly supported by "liberals" and "do-gooders" who would have us believe they are horrified by fascism and corporate socialism!

## **ENDNOTES: CHAPTER THREE**

1. Send \$1.00 to Freemen Institute, 1331 South State Street, Box G, Provo, UT 84601, for full text on the interview. Ask for vol. VI, no. 7, 15 January 1978.

2. Trustees: Harrison Scott Brown, Norman Cousins, John Sloan Dickey, George H. Gallup, Samuel B. Gould, Carroll A. Hochwalt, Frederick J. Hoover, Robert A. Kerr, Charles F. Kettering II, Richard D. Lombard, Walter Orr Roberts, Howard E. Skipper, and James M. Stewart.

3. Walter Wriston, "The World Corporation - A New Weight in an Old Balance" (address before International Industrial Conference, San Francisco, Ca., September 17-21, 1973), p.17.

4. Richard J. Barnet, *Global Beach: The Power of Multinational Corporations* (New York: Simon and Schuster, 1974). Barnet is an interesting character in the

establishment lineup. Cofounder (with Marcus Raskin) of the Institute for Policy Studies (an Establishment think-tank/action vehicle), Barnett is pure elitist.

5. Ibid., p.16.

6. Ibid., p.56.

7. Wriston, "The World Corporation," p.19.

8. Herbert Hoover, *The Memoirs of Herbert Hoover: The Great Depression, 1929-1941* (New York: The Macmillan Company, 1952), p. 420. See also Antony C. Sutton, *Wall Street and FDR* (New York: Arlington House, 1975).



## CHAPTER FOUR

### THE PLAN FOR WORLD AGRICULTURE

Whatever Trilateralists may release about their objectives, common sense suggests that any control they acquire over the daily lives of individuals means a corresponding loss of control for the individual. Power gained at the political center is power lost at the periphery. If some central body makes regulations and orders, this reduces the freedom of individuals to order their own lives. In brief, globalism means reduction of individual freedom.

One Trilateral objective is to exaggerate world problems so that Trilateral power to control and order a new world may be enhanced. Such problems have been identified according to the following criteria:

- The problem should be important from a global standpoint.
- The problem should be one that can be solved by some degree of Trilateral - Communist cooperation following a presumed unstated objective to merge the U.S. with a socialist structure.
- The venture must be one that can be pursued without *undue* intrusion into the internal affairs of the participating states.<sup>1</sup>

An important problem area that fits the criteria for selective manipulation is that of world food. Food supplies are inadequate, people need food to live, and the technological and financial abilities for food production are heavily within Trilateral countries. As Triangle Paper No. 13 puts it:

*Prospects are somewhat more substantial for cooperation in the realm of increasing food production. Production increases require both more effective domestic agricultural policies on the part of developing countries and enlarged provision of outside capital and technology to them for agricultural development.*<sup>2</sup>

In particular Triangle Paper 13 claims:

*The prospects for cooperation are more promising with regard to the third objective: the development of adequate food (particularly grain) reserves. A reserve stock policy that could keep cereal price changes within a less disruptive range than in the recent past could make a considerable contribution not only to restraining inflation in the developed and developing*

*worlds, but also to ensuring that adequate food supplies are available to developing nations at prices that will not impose an undue drain on foreign exchange...*

In considering Trilateral targets for international food reserves and world agriculture, we need to consider what the Trilaterals say they want and compare it to what they *really* want. Fascinated by the idea of "food power" and "contrived shortages," the Trilaterals intend to use food as a weapon to bring about the New World Order. One stated objective is to create an "international system of national food reserves" by massive manipulation of recently acquired political power against private markets and initiatives. It is proposed, for example:

- To keep grain prices in a "less disruptive range,"
- Restrain inflation,
- Ensure adequate food reserves for lesser developed countries (LDC's) and
- Overcome periodic food imbalances.

Trilateral intentions for a world grain storage program are published by the Trilateral Commission and the Brookings Institution, headed by Trilateral Commissioner **Bruce K. MacLaury**. Other Trilateralists on the Brookings Board of Trustees include **Robert V. Roosa** (partner in Brown Brothers, Harriman), **Lucy Wilson Benson** (presently under secretary of state for security assistance) and **Gerard C. Smith** (ambassador at large for non-proliferation matters.) In 1976 Brookings Institution Senior Fellow **Philip H. Trezise** with the assistance of former Assistant Secretary of Agriculture **Carroll Brunthaver**, published *Rebuilding Grain Reserves: Toward An International System*. **Brunthaver** had previously been involved in a conflict of sworn testimony, investigated by the Senate Permanent Subcommittee on Investigations. (See Report, *Russian Grain Transactions*, 93rd Congress, 2nd Session, p. 33.) In the **Trezise** book, the problems for multilateral agreement on grain reserves are considered to be "formidable." Going ahead is "compelling" because of the following: upward moves in grain prices have a "pervasive influence" on all food prices; they mean more worldwide hunger; and grain stocks can be used in periods of famine. More specifically, **Trezise** proposed:

- An initial reserve of sixty million tons of grain, rising to between seventy-five and eighty million tons by 1981,
- Contributions from all industrial countries, including Argentina and South Africa,

## The Plan for World Agriculture

- A program cost of \$6 billion plus \$640 million in annual storage costs,
- That stocks should be "national," bought at 10 percent above floor prices and sold at 10 percent below ceiling prices,
- That twenty million tons be set aside for famine reserve.

As in most Trilateral writings, **Treize** includes only evidence *in favor* of proposed Trilateral policy. Trilaterals typically use an ideological procedure of gathering facts and opinion supporting their argument, never allowing a hint of serious counter-argument. Two glaring unstated consequences in **Treize's** book are:

1. Any such massive stockpiling will *raise* the long-term price of grain, negating the objective of "restraining inflation;
2. The only way to stop the resulting inflation is through rigid government *price controls* and *regimented farming*.

The choice of food products as a means of reducing national sovereignty is emphasized in the following paragraph:

*There are several reasons why commodities are treated differently than other products that enter into trade. Probably the most basic reason is that commodity supplies are linked to land, tying them to the concept of territory, over which nation-states exercise sovereignty. As a general proposition, the demand for, and the supply of, most commodities are rather unresponsive to changes in price over short periods of time, so that quite sharp fluctuations in price can be generated by fairly modest changes in overall market conditions. Moreover, the time required to expand supplies is often lengthy, although this property varies widely among individual commodities. Although the value of all commodity consumption represents no more than about ten percent of annual economic activity in industrialized nations, and even though substitutes exist for any particular commodity, commodities are sometimes distinguished as "core products."*<sup>3</sup>

The Trilateral elite, through control of the U.S. executive branch, will-be calling the shots on a world basis to reduce producer control and indirectly national sovereignty. The amount of political power possessed by world grain producers can be measured by comparing the area devoted to 1976 wheat production in Trilateral regions:

## The Plan for World Agriculture

	<b>Thousand Hectares</b>
European Economic Community	11,232
Japan	89
United States	28,700
USSR (for comparison)	50,462

This U.S./Trilateral dominance is further reflected in world export figures of wheat plus flour for 1975-76:

	<b>Metric Tons</b>
United States	31,522,000
Canada	12,136,000
Australia	8,072,000
European Economic Community	7,729,000
Argentina	3,111,000
Japan	38,000

If it were possible for other countries to substantially increase their wheat production, the quickest way to do so would be to raise government price support levels. However, except for Argentina, the U.S. already has the *lowest* support levels among the thirty or so wheat producing countries in the world. Thus, one can see how the U.S. has acreage, yield, and production efficiency all working for it at the bargaining table.

### **THE TRILATERAL BIG STICK**

This discussion of "food power" is not academic - it has major significance for any grain trader, farmer, firm, or individual in any way connected with grain products.

The Trilaterals propose international sanctions against any government, private firm, or producer (in or out of an association) that interferes with Trilateral objectives. These sanctions will not be applied in any principled way, but will be used pragmatically to achieve Trilateral goals. The key to this plan and associated sanctions is in Triangle Paper 10, "Seeking a New Accommodation in World Commodity Markets." Therein, the concept of "contrived shortages" is floated. A contrived shortage is any non-Trilateralist action in the market place that interferes with Trilateral objectives. For example, a farmer withholding grain from the market and waiting for a higher price, is guilty of contrived shortage. The paper further states that these contrived shortages can be informal, rather than brought about by a formal association of producers.<sup>4</sup>

While all offenders are to be subject to effective international investigation and action, the penalties are not to be applied equally. A non-Trilateral developed country such as Argentina or South Africa

will be dealt harsher penalties (i.e., sanctions) than underdeveloped Zaire or Zambia (phrased subtly as "...in the case of non-industrialized countries, however, it is necessary to consider this issue from a broader political perspective").

Consequently, any informal or formal farmers group in the U.S. protesting price levels - and such protesting will be inevitable when Trilateral objectives surface - will be subject to penalties. When can these individual firms and non-favored governments anticipate Trilateral hostility? Probably under the following conditions:

- If they attempt to stabilize or move market prices to non-Trilateral levels,
- If they respond to market imperfections or undertake any systematic withholding of supplies from the market,
- If they make any information exchange for these purposes.

Trilaterals, are well aware that market fluctuations in agriculture are highly sensitive to supply changes, and that whoever controls the supply controls the market.<sup>5</sup>

In Triangle Paper 14, "Toward a Renovated International System," two additional and interesting caveats relating to international grain reserves appear:

1. That the Soviet Union can benefit from fixed prices and guaranteed sources of supply, and
2. That if the U.S.S.R. doesn't see the wisdom of joining the Trilateral plan, the Trilaterals will go it alone.

On the other hand, the paper comments:

*"We have not sought ventures that would exacerbate Sino-Soviet rivalry. We have thus focused, for the most part, on projects that would involve either the USSR or China, but not both. This does not mean that cooperation with the Soviet Union and China cannot be pursued simultaneously - only that it should not focus on the same projects.*

*"The chances of Soviet or Chinese agreement are, of course, uncertain; our assessments are tentative, based on such limited evidence as exists. Only by seeking cooperation can its feasibility be ascertained."*<sup>6</sup>

## THE PLAN AND THE AMERICAN FARMER

A nation-wide farm strike was well underway in mid 1978, with participating farmers from all areas of agriculture. Demonstrations like "tractor cades" were common events covered on national T.V. While some farmers in wintered areas were not sure if they would be planting spring crops, others were already pressed to the wall with bankruptcy: they had no choice but to refrain from planting as long as prices remained relatively low. Once again the banks were in danger of becoming owners of real estate - farms. Since banks do not want that responsibility, every effort is being made to support shaky farms and ranches. Recently, the Federal Land Bank (where most farmers have found an easy and inexpensive source of credit for decades) announced it would not foreclose on farmers in default. The implications of this are far reaching, especially since no one knows just how many farmers are in serious trouble.

Big changes cannot be implemented only during periods of crisis. It appears the Trilateralists are pushing for a major farming crisis in the U.S. within the next year or so, one that can be manipulated for Trilateral ends. If the farming industry becomes bankrupt, the government's only choice will be to "institutionalize" the nation's food production in the same manner that Amtrak was "nationalized." On the other hand, if the government chooses to let prices rise to the point where farmers can realize a profit in 1978, it will be only with additional and far-reaching controls over the farmer. Government--induced prosperity has always resulted in a trade-off: Profits for Controls.

The current situation in the U.S. plays directly into Trilateral hands. The grain or "cereal snake" will be a foregone conclusion when the Trilaterals find themselves caught in the vice between farmers crying for higher prices and consumers demanding lower food prices. But, of course, it will have been a "contrived" crisis in the first place.

How then will a national grain reserve - keyed to the international grain plan of the Trilateral Commission affect the American farmer?

The carrot offered by the **Carter** administration, now under Trilateral control, will be stable and "high" prices. Farmers, suffering from four years of low prices, will be eager listeners. Secretary of Agriculture **Bergland** (a Trilateral nominee) has vowed "to even out the booms and busts" in agriculture. (To this, former Secretary of Agriculture Earl Butz responded, "...you'll notice he's going to even out the boom first.") In practice, the **Carter** grain storage program will produce the following:

- A narrow grain price snake. The government will support the floor of the snake, while whipped-up consumer pressure, through a captive media, will create a lid on the ceiling of the snake, making an ultimate government price ceiling inevitable.
- More - and more - government control.

If the government determines quantities produced and market prices, then ultimately, it will decree who plants what, and where. Farmers have yet to learn they cannot have traditional freedoms and security at the same time.

### THE PLAN IS UNDERWAY

The summer of 1977 was favorable for grain farmers, due to increased yields and stocks. Today, worried over production and low prices, farmers are asking for acreage cutbacks. By August 1977, Secretary Bergland called for a 25 percent cutback in allotments. Secretary of Treasury **Blumenthal** and Secretary of **State Vance** wanted no cutbacks: they argued increased production was needed for the storage program. It is not clear if this was a dispute between Trilateralists and non-Trilateralists in the cabinet, but it is not likely. Former Minnesota Congressman Bergland is *not* a Trilateral member, but he was sponsored by Vice President **Walter Mondale** — and Bergland has a longtime image to maintain of being "the farmer's friend."

President **Carter** made a contradictory decision by calling for Congress to legislate a 20 percent acreage cutback plus adding 30 to 35 million tons of grain for the national stockpile. **Carter** is a master of such paradoxes: he also wants to achieve full employment while wiping out inflation.

### TRILATERALS IN THE FAR EAST

Another effort to involve Trilateralism in world agriculture surfaced at the October 1977 Eighth Annual Trilateral Meeting in Bonn, Germany. In a Trilateral Task Force Report, *How to Double Rice Production in South and Southeast Asia*, doubling the production of rice (the staple food of 1.3 billion people) within 15 years is proposed. Such a plan will cost some \$54 billion and will be financed by Trilateral governments (actually, their taxpayers), the Organization of Petroleum Exporting Companies (OPEC), and LDCs. The highlights include the following:

1. Intensification of rice production - not merely increased output,
2. Expansion of irrigated land, requiring increased water control and irrigation systems, and
3. Increased use of agricultural machinery and fertilizers.

The institutional fundamentals (i.e., transportation, financing, land tenure systems, communications, etc.), all basic to healthy economic expansion, are ignored in this plan. The emphasis is on spending \$54 billion on a *Technologically Intensive* form of production, not normally used in the *labor-intensive* Far East. The reason for this is not complex: Trilateral members heavily reflect the multinational firms who will be supplying the needed technology, equipment, and supplies.

### THE REAL TRILATERAL GOALS

The adage "Watch what governments do, not what they say," is the guide to Trilateral objectives.

The summer 1972 grain fiasco was also the biggest grain sale in American history. The Soviets bought over 700 million bushels of grain, including 440 million bushels of wheat - about 25 percent of the total American wheat crop. The sale wiped out U.S. reserves, disrupted shipping and grain transportation flows, created farm product shortages and forced up food prices to American consumers. Who initiated this program? The original directives came from **Henry Kissinger** (then national security advisor to President Nixon.) On 31 January 1972, **Kissinger** directed the departments of state, commerce, and agriculture to allow the Department of Agriculture to take the lead in negotiating grain sales to the USSR. On 14 February 1972 the Department of Agriculture was directed to develop a "negotiating scenario." The subsequent negotiating team from Washington included Secretary of Commerce **Peter G. Peterson**, Secretary of Agriculture Earl Butz, **Henry Kissinger**, and Peter Flanigan.

Subsequent shortages and price rises were deliberately created by Trilateralists-to-be as part of "detente" with the USSR, to the great disadvantage of the American consumer. (See U.S. Senate, *Russian Grain Transactions*" Permanent Subcommittee on Investigations, 1973-75.)

The Trilateral agriculture/food production/storage program smacks of self-interest and manipulation. The plan will yield major beneficial advantages for Trilateralist multinationals, who are already gearing up for it, and it will provide "crisis management" situations for the World Planners.

Doubling rice production in the Far East by intensive methods and ignoring the institutional changes vital for lasting economic change will require massive inputs of agricultural machinery and fertilizers.

Agricultural equipment makers without direct Trilateral connections are cutting production, while Trilateral-connected firms are expanding production. In general, 1977 was not a good year for agricultural equipment manufacturers. Allis-Chalmers reported a projected cutback of 15 percent for 1978. Wisconsin-based J.R. Case says equipment conditions "have seriously declined" since early 1977 and predicts either flat or declining sales for 1978. In Des Moines, a Massey-Ferguson spokesman stated that the 1978 market is "a matter of great concern." And the agriculture equipment division of Chromalloy looks for a flat 1978 market. None of these firms has direct Trilateral connections.

On the other hand, those companies with direct Trilateral connections are following a different road. Deere & Company, the largest maker of agricultural equipment and the fifty-second largest firm in the U.S., is in the midst of the largest capital expansion program in company' history. In 1977, Deere negotiated an agreement with Yanmar Diesel Engine Company (Japan) to form "an engineering company that will be jointly owned and will design future tractors in the smaller horsepower sizes." New basic machines will go into production in 1978 - a crawler dozer, a crawler loader, a four-wheel-drive loader, and a new hydraulic excavator. Existing Deere plants are to be expanded, and new plants built overseas, with a total expenditure in 1977-78 of \$1 *billion*. The chairman of the board of Deere & Company is **William A. Hewitt**.

Another Trilateralist, **Henry B. Schacht**, is chairman of the board of Cummins Engine Company, by far the largest truck engine manufacturer in the U.S., with 49.4 percent of the heavy-duty truck-engine market. Large numbers of Cummins engines are used in farm equipment, and Cummins is now "the power leader in the highest horsepower, four wheel drive tractor market." J. Irwin Miller, longtime internationalist, member of the Council on Foreign Relations, and trustee of the Ford Foundation (which financed Trilateralism), personally owns 19.4 percent (1,339,620) of the common stock of Cummins and participates in other large blocks of stock. In addition, Cummins former vice-president of corporate action was recently appointed by President **Carter** to be under secretary of the interior.

**John Perkins** is president and **William A. Hewitt** and **Arthur M. Wood** are directors of Continental Illinois National Bank and Trust Company of Chicago. Continental Illinois and its subsidiaries are operators in the agricultural industry worldwide. For example, the 1976

annual report has a half-page photograph of "a central-pivot irrigation system" financed by a subsidiary of Continental Illinois Leasing Corporation. The firm provides agricultural management services through Continental Agricultural Properties Management Division, maintaining a global banking network for agricultural operations.

**John Harold Perkins** is also director of the Pillsbury Company, which in 1976 agreed with Cargill, Inc., of Minneapolis to use Cargill port facilities to put Pillsbury into the grain export field. (**William R. Pearce** is vice president of Cargill.) In early 1978, the Memphis, Tennessee, firm of Cook Industries, (\$500 million in annual sales) sold to Pillsbury its grain merchandising assets, including an export elevator in Louisiana, seven inland elevators, an office network, grain inventories, and contracts. In short, Pillsbury is now a major operator in the grain export business, whereas before 1976, its operations were limited to domestic merchandising and food services.

Caterpillar Tractor Company is one of the world's largest makers of tractors and earth-moving equipment. The following Trilateral commissioners are directors: **Lee L. Morgan** (president of Caterpillar); **David Packard** (of Hewlett-Packard); and **Robert S. Ingersoll** (formerly the chairman of Borg Warner Corporation, U.S. ambassador to Japan, director of Atlantic Richfield, assistant secretary of state for East Asian and Pacific affairs, deputy secretary of state, and director of First Chicago Corporation).

All together, those agricultural equipment firms and bankers with Trilateralist representation will do very well by the Trilateral scheme for "internationalizing" food production. Firms outside the magic circle, according to their *own* corporate forecasts for 1978, do not anticipate any expansion in their business. Coincidence?

## ENDNOTES: CHAPTER FOUR

1. "Collaboration with Communist Countries in Managing Global Problems: An Examination of the Options," Triangle Paper No. 13, p.2. 2. *Ibid.*, p. 30
3. *Ibid.*, p. 4.
4. "Seeking a New Accommodation in World Commodity Markets," Triangle Paper No. 10, p. 14.
5. The Carter administration has a penchant for stockpiles - \$5 billion for oil, \$6 billion for wheat and reexamination of the strategic metals stockpile program - and this raises a question mark about long-term intentions. Stockpiling of oil, wheat, and metals is a common historical prelude to aggressive warfare. The pragmatic logical apparatus of the Trilateralists is highlighted: they want an oil stockpile under *Project Independence* and a wheat storage program under the flag of New World Order *Interdependence*.
6. "Toward a Renovated International System," Triangle Paper No. 14, p. 2.

## CHAPTER FIVE

### THE TRILATERAL ENERGY HOAX

The Trilateralist **Carter** administration thumps a repetitive theme of a major energy crisis, threatening the very survival of the U.S. The consequences of this mighty crisis, so we are told, include:

- The dollar dilemma, brought about by our importation of oil and the subsequent bill for these imports which "wrecks" the U.S. balance of payments,
- The fact that the U.S. is too dependent on foreign oil in case of national emergency, and
- The depletion of U.S. oil and gas in the ground.

Some Trilateral commissioners have entered the energy crisis directly. For example, First Chicago Bank (Commissioners **Ingersoll**, **Morgan** and **Peterson** are directors) recently placed full-page ads in the *Wall Street Journal* (25 July 1978) on the energy crisis pushing the scary line, "America can't wait" and "energy isn't easy to come by anymore."

President **Carter** has announced, in the same vein, "the world is watching the United States to see if it has the will, the resolve to solve its energy problems and end its insatiable appetite for imported oil."

All of which might lead you to think we really *do* have an energy crisis.

In fact, Trilateral energy assertions are always couched in terms of crises, emergencies and wrecking." Reflect for a moment that if one wants to manage the world, "problems" and "crises" to manage are absolutely essential, or else the managers are out of a job: there is nothing to manage. Can you have an energy plan without an energy crisis? Of course not.

So let's ask an elementary question, a silly question in the light of **Carter** dogma, but we'll pose it anyway: Is there an energy crisis at all? The general belief is that the answer is obvious: of course there is an energy crisis. Washington says so. The politicians say so. The Trilateralists say so. Most of the media says *so*. Everyone (almost) says so.

On the other hand, have you seen printed in any media or in any administration statement, a list of the energy resources currently

available within the United States available today for use and development?

We doubt it. So let our first simplistic (common sense is always attacked by the elite as "simplistic") question be "how much energy do we have available in the U.S. today? And "in what form?"<sup>1</sup>

Several basic, readily available statistics dispose of the "energy crisis" and expose its falsity.

The United States consumes about 71 quads of energy per year. (A quad is one quadrillion British thermal units or 10<sup>15</sup>.) There is available today in the United States, excluding solar sources and excluding gas and oil imports, about 150,000 quads of energy.

Put another way, this statistic means we have sufficient known usable energy resources to last us for over two thousand years. The *type* of energy we use and how we use it will, of course, change - as the type has changed before from wood to coal and from coal to electric power. But to say we have any absolute shortage of energy resources is simply a false and irresponsible statement.

This elementary statistic means that the energy crisis is a phony, a created crisis, a hoax on the American people. But if you happen to be in the business of crisis manipulation, such an energy crisis, if you can convince enough people of its reality, is a handy sort of crisis to be manipulated. One can impose rationing and price controls, plan resource uses, restrict consumption, and invent all manner of happy little projects under the name of "solving" an energy crisis.

Looking at this 150,000 quads in more detail we have approximately the following supplies available in the future:

Natural gas	At least 200 years (probably closer to 600 years)
Petroleum	At least 130 years
Oil from shale	At least 1,500 years
Coal	At least 6,000 years
Breeder reactor resources	inexhaustible

A Breeder reactor produces more fuel than is consumed. There is sufficient U238 in storage for the initial one hundred years of breeder reactor operation.

These geological estimates are conservative: Vincent McKelvey of the U.S. Geological Survey (who was recently fired for his disclosure publicly discussed a figure of six-hundred-year-reserves of natural gas. Moreover, using biomass production methods, natural gas reserves are virtually inexhaustible.

These elementary statistics must be the starting point of any rational discussion of energy "shortages."

## SUPPRESSION OF INFORMATION

The previous information has been suppressed. Elitist discussion *assumes* we have a shortage of energy. The "shortage" is mythical. Check the indexes of the establishment press the *New York Times*, the *Washington Post*, the *Los Angeles Times*, the *Christian Science Monitor*, and you will find no statistics of total energy resources. Why not? Isn't the amount of energy currently available in the ground, an essential prerequisite to any reasoned discussion of shortages and crises? Does this absence of clearly relevant information imply there has been an attempt to create a synthetic belief structure for the American people.<sup>2</sup>

Has there been suppression of vital facts so that the crisis managers may have a juicy synthetic crisis to manage? The hidden power of elitists over the weaker and more susceptible among us was amply demonstrated in the August 1, 1978 issue of *The Ruff Times*, (Reprinted in *California Mining Journal*, September 1978). In *Ruff Times*, Howard Ruff describes what happened when he tried to question Vincent E. McKelvey, former head of the U.S. Geological Survey. Earlier this year, McKelvey, a longtime bureaucrat, made the innocent mistake of disagreeing with **Carter** and the administration line about "energy crises." McKelvey was fired because of certain revealing statements he made in a Boston speech - that we have sufficient domestic natural gas available to provide up to a six-hundred-year supply (quoted in *Wall Street Journal*.)<sup>3</sup> Wrote Ruff, "When we taped the show, I had a very nervous man on my hands...he was obviously frightened of something - or somebody." What McKelvey had probably discovered was that anyone in the U.S. who promotes unwelcome news for the elite receives some unwelcome attention in return. (An IRS audit is common, or a call to visit the boss of the institution or organization where the luckless whistle blower may be working.)

In most national newspapers you just do not read about the gigantic new oil and gas finds which have made a mockery of the official party line of crisis and scarcity. For example, the following find was apparently reported nationally only in *Barrons* (13 February 1978).

In August 1977 Chevron was drilling its Walter C. Parlange Well No.1 in Point Coupee Parish, Louisiana. At 21,000 feet the drill hit a reservoir of high pressure methane and blew out. The blowout was so intense and accompanied by such an enormous flow of steam that the well was closed for eighteen days. The theory of Baton Rouge oil expert Paul Hastings Jones is that the drill entered a long-theorized geopressurized superheated water plus methane gas reservoir. If this happened, new vistas for U.S. natural gas production are now open. The U.S. uses about 20 trillion cubic feet of methane a year. The Louisiana geopressurized methane reserves alone may total 3,000 trillion cubic feet, another 150-year gas supply, and there's much, much more out in the Gulf of Mexico all of which information is a disaster for any political scare energy plan.

Furthermore, the long opposition of the **Carter** administration to U.S. breeder reactor development contrasts with the following:

- Europe is forging ahead with breeder reactor technology.
- There has never been even one fatal accident in a commercial nuclear reactor. (About three hundred men a year are killed in coal mines.) This logically disposes of the anti-nuke argument. (How about some anti-coal demonstrations at coal mines?)
- Nuclear power is cheap, much cheaper than oil and gas.

Now could it be that total profits in a nuclear-powered world will be much less than with oil and gas and this probability has created a vested interest to restrict nuclear development? Could the myth of low oil and gas reserves have been deliberately promoted so that energy price hikes will appear acceptable to the general public?

Certainly political manipulation has taken the form of restricting some energy forms and interfering with the supply of others:

- As we have noted, the **Carter** administration is against breeder reactors, the source of low-cost ample energy; and in August 1978 **Carter** agreed to breeder development only in exchange for political support for his natural gas bill.
- The natural gas bill continues political interference into basically economic and technical decisions.
- Allowing the market system to develop our ample fuel resources is never discussed in elitist energy crisis reports.

## THE CRISIS CREATORS

Elitist energy reports include *A Time To Choose*, from the Ford Foundation, *Achieving Energy Independence*, from the Committee for Economic Development, and *Energy: A Plan for Action*, 1975. from the Commission for Critical Choices for Americans.

The Ford Foundation financed the Trilateral Commission, and the Ford Foundation contribution to energy crisis manipulation is *A Time To Choose. a plan which demands:*

- A massive socialist bureaucracy to plan and control all energy use.
- Ultimately. a massive reduction in energy use plus income redistribution.
- Price controls plus fuel allocations plus tax increases.

The **Carter** energy crisis is guided from the White House by the same S. David Freeman who wrote sections of this Ford Foundation report. Not unexpectedly. *A Time To Choose* unleashed a flood of criticism, even from a member of the Ford Foundation Advisory Board, president of Alcoa, John Harper, who described the Ford energy plan as one "...abhorrent to me and I am sure, to most of the people in this nation."

Similarly, the Committee for Critical Choices for Americans was financed by the Rockefeller Foundation, with Nelson Rockefeller and a host of Rockefeller appointees determining the energy future for the rest of America. In principle, *Energy: A Plan for Action* does not differ from the socialist interventionist principles in the Ford Foundation plan.

## WHO CONTROLS ENERGY RESOURCES?

The **Rockefeller** financing of *Energy: A Plan for Action* and its primary association with Trilateralism through **David Rockefeller** together with the Ford Foundation's association with Trilateralism and also with energy plans poses a basic question: Who controls energy resources? Are these self-interested proposals? To answer this, we need to examine two related phenomena:

- a. Who controls energy resources? and,
- b. Are these controllers related to the Trilateral Commission and its lock on energy policy making?

## The Trilateral Energy Hoax

If we can identify an interlock between the energy controllers and energy policymakers, we can reasonably presume that Trilateral energy policy is formulated with the interests of the controllers in mind.

The oil and gas world is dominated by seven major firms (the "seven sisters"). A listing of controlling ownership in these major oil and gas companies by banks with Trilateral commissioners as directors follows:

<b>Major Oil Company</b>	<b>Share Ownership by Banks with Trilateral Representation</b>	<b>Rank in Shareholding</b>
ARCO	Manufacturers Hanover	2
Exxon Corporation	Chase Manhattan	1
	Manufacturers Hanover	3
Mobile Corporation	Chase Manhattan	3
Standard Oil (Cal.)	Chase Manhattan	2
	Wells Fargo Bank	4
Standard Oil (Ind.)	First National (Chicago)	4
	Continental Illinois	3
Texaco	Continental Illinois	3

There are highly significant Trilaterally-connected bank holdings in the major oil companies where such holding places the bank among the top five shareholders; that is, the Trilateralist bank has a controlling influence. Chart 5-1 illustrates those major oil companies with Trilateral commissioners as directors.

To this picture, we can add the direct personal shareholding interest of the Rockefeller family in these major oil companies, in addition to indirect interest via the above Trilaterally connected banks:

Exxon Corporation	Rockefeller Family	6
Standard Oil	Rockefeller Family	6

Finally, we can list Trilaterally-connected bank control of *other* major energy companies as follows:

Chart 5-1

The Energy Industry – Major Oil Companies and Trilateral Commissioners

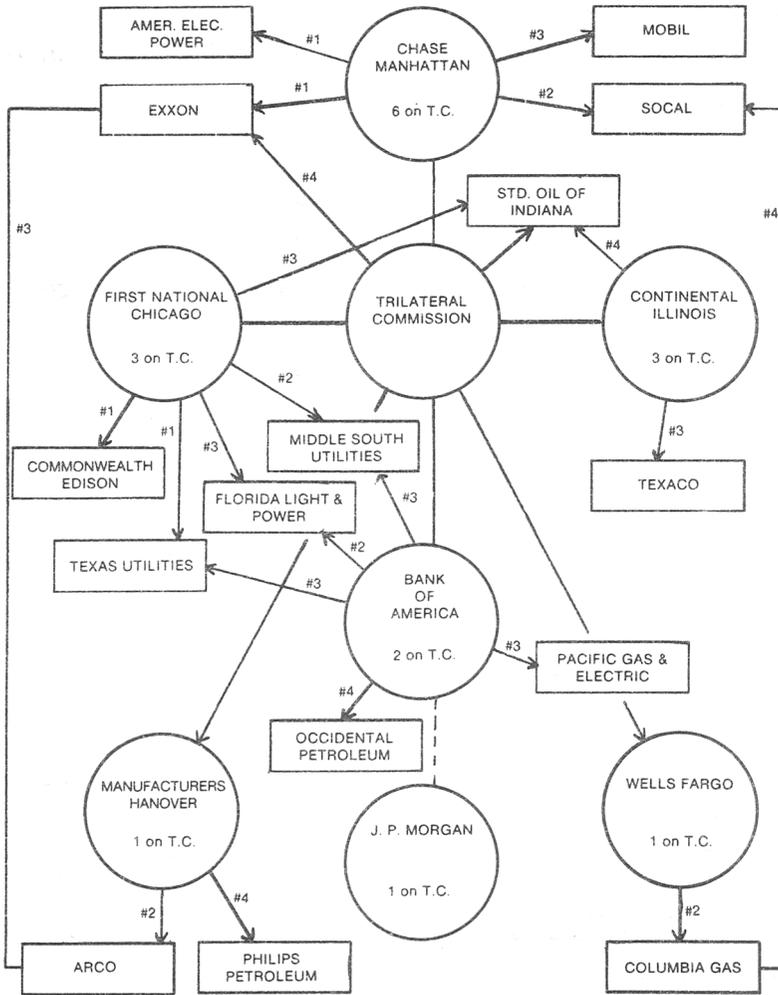
Other Major Energy Companies	Share Ownership by Banks with Trilateral Representation	Rank in Shareholding
American Elec. Power	Chase Manhattan	1
Columbia Gas System	Wells Fargo Bank	2
Commonwealth Edison	First National Bank, Chicago	1
Florida Power & Light	BankAmerica Corporation	2
	First National Bank, Chicago	3
Middle South Utilities	First National Bank, Chicago	2
	BankAmerica Corporation	4
Occidental Petroleum	BankAmerica Corporation	4
Pacific Gas & Elec.	BankAmerica Corporation	3
Phillips Petroleum	Manufacturers Hanover	5
Texas Utilities	First National Bank, Chicago	1
	BankAmerica Corporation	3

Trilaterally connected banks dominate the boards of many of the largest power and utility companies in the United States. It is interesting to note that although BankAmerica Corporation is a powerful shareholder (No. 4) in Occidental Petroleum, the bank has done nothing to dilute the pro-Soviet policies of Armand Hammer, (Lenin's friend and a key capitalist) in building Soviet military power. It is reasonable then to suppose that BankAmerica approves of Hammer's Soviet policies.

Other Trilaterals are influential in smaller oil companies: Kaiser has just bought into Ashland and Roth is influential in Honolulu Oil and Barber Oil.

More startling, we find an ominously close interlock among the "seven sisters" major oil companies. Four of the seven majors have Trilateral commissioners as directors: **Ingersoll** at Arco, **David Rockefeller** and **Jamieson** at Exxon, **David Packard** at Standard Oil

**BANKS WITH TRILATERAL CONNECTIONS AND THEIR STOCKHOLDING RANK IN MAJOR OIL COMPANIES**



of California, and **Robert Roosa** (creator of the disastrous **Roosa** bonds) at Texaco. The interlock among major oil firm directors is shown in the following table:

The tight interlock among the seven majors both with each other and the Commission makes for ready transference of Trilateral ideas and proposals; and oil company ideas and proposals are funneled through the TC and related "think tanks."

**Indirect Interlocks Among Major Energy Companies With Trilateral Commissioners**

Major Oil Firm*	Atlantic	Exxon	Mobil	Shell	Standard Oil of Cal.	Standard Oil of Ind.	Texaco
Atlantic Richfield (1)		4	3	1	2	5	2
Exxon (2)	4		6	1	6	2	2
Mobil	3	6		3	3	3	4
Shell	1	1	3		1	0	0
Standard Oil Of Cal. (1)	2	6	3	1		0	0
Standard Oil of Ind.	5	2	3	0	0		0
Texaco (1)	2	2	4	0	0	0	

\*Numbers in parenthesis represent Trilaterals.

A reasonable presumption is that the seven majors strongly support Trilateralist energy policy with its anti-nuke and anti-breeder reactor thrust. Nuclear energy is cheap and safe. Oil is relatively costly and dirty. So the energy crisis scenario becomes readily understandable if only as a means to increase oil company profits.

The exception to this generalization is Mobil - with no Trilateral commissioners but with substantial Chase stock holdings. Mobil is a vocal advocate of deregulation and the return of a market economy to the energy sector.

Having identified a possible reason for the nature of Trilateral energy policy, we can dispose of the superficial public relation reasons for crisis. Does the energy crisis and the need to import oil create a balance of payments crisis as the **Carter** administration argues? There are two refutations to this:

- Europe and Japan have far, far higher import ratios for oil and gas - and *they* don't have energy and currency problems;
- Bureaucratic regulation and energy policy in the U.S. have restricted energy resource development, thus artificially *expanding* oil/gas imports.

Is there a strategic energy problem? If we continue to subsidize Marxist regimes - yes, there will be a strategic energy problem. If we continue to meddle in low-level crises around the world (while ignoring the human rights horror stories, as in Cambodia) - yes, there will be a strategic problem. But remember these international crises stem from previous "solutions" which never worked, and one could justifiably suspect "crisis management" scenarios as a root cause of continuing international problems.

Do we have a "shortage" of energy resources?

No, we most emphatically do not. There is no energy crisis in absolute terms: The crisis is a synthetic belief structure created in order to provide a problem to be managed. In the management process, other goals dear to the hearts of elitism will be achieved, for example, global control and domestic resource planning.

All of which reminds us of a Trilateral retort to widespread criticism of Trilateralism and its objectives as expressed by European Trilateral **Georges Berthoin**:

*One doesn't like to feel that people have a totally false impression of an organization one is associated with...there have been a number of publications from the right and left that have made these charges about undue influence. They are without foundation and I'm afraid most of the criticism is based on ignorance of the facts...*

The reader is urged to compare this official Trilateral statement with the facts on energy resources and control presented above. One finds the following to be true:

- "Undue influence" in energy is more than obvious;
- Trilateralism is heavily interlocked with both energy companies and energy policy formation in the White House,
- Accusations of smear tactics "from left and right" are "standard operating procedure." They divert attention from responsible reasoned criticism with no attachment to a

synthetic political spectrum (and we place the *Trilateral Observer* in this category).

**Berthoin** commented further that: "...if the image was the reality most of the European members, including myself would not like to be members." To which **David Rockefeller** is reported to have added, "That goes for all of us."

The truth is that the totalitarian image of Trilateralism *is* the reality: and we are long past the day when these power plays can be disguised from the American people.

**David Rockefeller, Georges Berthoin** and their fellow Trilateralists will not at least dispute one assertion from this editor: that in these secret elitist conclaves, a perennial topic under discussion is "how do we foster political will?" In brief, how do we get the people (the "peasants") to go along with authority (i.e., "We, the elitists?"). In some future elitist meeting, Trilaterals will do well to step back and look at themselves. *Who* gave the TC elected authority to even discuss globalist plans and new world order? The authority is self-anointed. And Trilateralists are no different from other power usurpers in history, Joseph Stalin and Adolf Hitler. The analogy will not impress Trilateralists because from this editor's observations their thought structure is utterly impervious to the concept of individual freedom. However, and more importantly, the analogy will not be lost on Americans at large.

## ENDNOTES: CHAPTER FIVE

1. Detailed back-up data is contained in a forthcoming book by this editor entitled *Energy: The Created Crisis* (Books in Focus, Inc., 160 E. 38 Street, Suite 31B, New York, N.Y. 10016).
2. *The Wall Street Journal* and *Barrons* are prominent exceptions to this belief structure programming. Both sources have run numerous articles and editorials with this basic energy data and draw implications which parallel those of the *Trilateral Observer*.
3. *Wall Street Journal*. 27 April 1977.



## CHAPTER SIX

### TRILATERALS AND TAXATION

California's Proposition 13, a measure reducing property taxes by 60 percent, is still echoing around the world. The mildly socialist London Economist ran a lead article on 17 June 1978 entitled "Throwing Tax Overboard," expressing horror at the turn of events. The solidly free enterprise Northern Miner (Toronto, Canada) editorialized on 15 June 1978: "There may be hope for the Western World yet," but claimed "13" wasn't enough; we need, wrote the editor, "to finish the job by eliminating entrenched bureaucrats."

All of which bring us to examine the common principles of taxation held by both Marxists and Trilateralists. Oddly, while there are Trilateralist papers on almost every major policy issue, there are none at all on taxation. After some research, we discovered a possible reason for the silence. Taxation is not a pressing problem for Trilateralists; it is only a pressing problem for you and me. Research unearthed an interesting paradox: Trilaterals emphatically favor more taxes for the common man, but do very well avoiding taxation for themselves and their corporate vehicles.

When we were able to identify Trilateral public statements on Proposition 13, for example, they were not unexpectedly strongly against reducing California property taxes. For example,

- Bank of America (Trilaterals **Clawson** and **Wood** are directors) contributed \$25,000 to defeat Jarvis-Gann (Proposition 13).
- Governor **Thompson** of Illinois, who is making appropriate presidential noises, rejected a similar tax reduction program in Illinois.
- **Carter** said Proposition 13 is an "aberration" that will not sweep the country.
- The Los Angeles Times (a director is Commissioner **Harold Brown**) was described by Jarvis himself as "the vindictive paranoiac, schizophrenic *Los Angeles Times*" for the vitriolic nature of its opposition to 13.

In sum, Trilaterals put their weight against Jarvis-Gann and tax reduction.

## **AMBIGUITY IN TRILATERAL VIEWPOINT ON TAXES**

Trilateral opposition to tax reduction most emphatically did not apply to their own taxes nor to those of their corporate affiliations. Trilateral multinationals have successfully avoided paying taxes in the United States and have made some headway in tax avoidance in England and possibly elsewhere.

The United States picture was publicized recently by Congressman Charles A. Vanik (on 26 January 1978) after a congressional study of the taxes paid by major multinational corporations. Reported Congressman Vanik:

*This study, covering tax year 1976, examines 168 companies. These include 108 industrial, 7 mining, 8 airline, 9 railroad, 5 trucking, 13 utility, 8 retailing, and 10 commercial bank companies. Because a few did not furnish data adequate for computation, some categories of taxes or rates could not be computed.*

*Where sufficient data made computations possible, the average effective U.S. tax rate on worldwide income of the corporations was approximately 13.04 percent, down significantly from the 21.3 percent rate in tax year 1975. In order to qualify for a tax rate this low, an average family of four could only have earned \$20,000. The companies listed in this study had a pretax income of more than \$38.7 billion.*

*The figures show that 17 companies paid nothing in effective Federal income taxes in tax year 1976 6 more than tax year 1975 - despite combined total worldwide net incomes of more than \$2,594,060,000 - table 1. The 17 companies accumulated tax credits of more than \$375 million. In some cases, however, companies paid no taxes because they sustained net losses. In other cases, some companies will claim to have "paid" Federal taxes, but their credits exceed taxes, resulting in no effective payment and an effective tax rate of zero.<sup>1</sup>*

Included in this tax avoidance group of multinationals we find numerous corporations with Trilateral connections.

## WHAT TAXES DO TRILATERALS PAY?

Having assumed the burden of deciding the future for American society and the New World Order, one would at least expect that Trilaterals pay their full share of the costs. We therefore examined the Vanik study from the viewpoint of identifying the taxes paid by multinationals represented in the Trilateral Commission by company directors.

The lowest income tax bracket for an individual U.S. taxpayer is 14 percent. On the other hand, Chase Manhattan, Continental Illinois, and First Chicago, the power houses behind Trilateralism, all pay far lower rates.

In fact, Chase Manhattan Bank paid no U.S. taxes at all in 1976.

On the one hand, **David Rockefeller** (chairman of Chase and the largest individual shareholder in Chase,) wants to decide the future of American society and the world; on the other hand, his bank is totally unwilling to make a contribution to the new American society and a New World Order.

Given these facts, we have every right to be skeptical about announced Trilateral intentions and objectives. We have every right to assume that the Trilateral Commission may be a gigantic rip-off on American society.

The following is a list of international banks with Trilateral commissioners on the board, and their effective U.S. tax rate on worldwide income in 1976.

### U.S. Tax Rates of Banks with Trilateral Commissioners as Directors

Trilateral Commissioner	Director of This Bank	Effective U.S. Tax Rate on Worldwide Income	
		1975	1976
<b>Rockefeller, Coleman, Hewitt, Haggerty, Jamieson, Kissinger</b>	6 Chase Manhattan	3.4%	0.0%
<b>Hewitt, Perkins, Wood</b>	3 Continental Illinois	33.7%	10.5%
<b>Ingersol, Morgan, Peterson</b>	3 First Chicago	n.a.	6.3%
<b>Clausen, Wood</b>	2 Bank of America	14.2%	14.9%
<b>Whitman</b>	1 Manufacturers	0.0%	3.8%

## Trilaterals and Taxation

<b>Austin</b>	1	J. P. Morgan	14.2%	17.6%
<b>Arbuckle</b>	1	Wells Fargo	n.a.	n.a.

As we all know, personal income tax rates are much higher than the rates paid by the tax-avoiding multinationals. In the U.S. the starting individual tax rate is 14 percent and the highest rate is 70 percent. In Canada the rate starts at 17 percent and ranges to 43 percent. Other European countries have even higher rates up to a confiscatory 98 percent in Britain. If you are a Trilaterally connected international bank, your effective rate in 1976 was much lower than the lowest individual bracket. In order of their success in avoiding taxes, Trilateralist banks rank as follows:

<b>Bank</b>	<b>U.S. Taxes</b>
Chase Manhattan	0.0%
Manufacturers Hanover	3.8%
First Chicago	6.4%
Continental Illinois	10.5%
Bank of America	14.0%

If you will examine the chart in chapter three, note how the three linked banks in the top left (Rockefeller) corner of the chart that have remarkable success in avoiding U.S. taxes. This success in avoiding U.S. taxation is carried abroad by these same multinationals. Take, for example, a report in the London Economist (14 January 1978) from the British viewpoint, under the scathing headline:

*"No Tax Please, We're Banks"*

American and other foreign banks in London could end up paying little or no British tax if their huge claims for relief which are now being examined by the inland revenue are accepted. Even the British clearing banks could have their tax bills dramatically reduced.

A deluge of claims was lodged around Christmas 1978, following rumors that one of the smaller American banks had persuaded the inland revenue (British equivalent of IRS) to grant stock appreciation relief (SAR) on its holding of foreign currency notes as well as on gold bullion, which has been allowed for some time.

**DO ALL MULTINATIONALS PAY LOW TAXES?**

A prominent Trilateralist, **Peter G. Peterson**, chairman of Lehman Brothers and formerly assistant to President Nixon for international economic affairs has this to say about MNCs and taxes:

*...the MNC is also a source of concern to some governments, since from its wide base it is often able to circumvent national monetary, fiscal, and exchange policies. The possibility of distortions arising from intra-corporate pricing practices to take advantage of national variations in tax laws has also been cited with concern.*

A check of multinational corporations and their 1976 U.S. tax rates on world income turns up some multinationals that did pay significantly high U.S. tax rates.

<b>Company</b>	<b>U.S. Taxes in 1976</b>
Getty Oil	21.14%
R.J. Reynolds	41/0%
Greyhound	46.8%
Textron	40.1%

Generally, however, those MNCs with Trilateral connections appear to pay significantly lower rates. This is only an approximation. It could be a spurious correlation, but there is sufficient evidence to warrant a closer look.

<b>Company</b>	<b>1976 Tax Paid</b>
Exxon (Controlled by <b>Rockefeller</b> interests)	8.0%
Standard Oil of California ( <b>Rockefeller</b> and <b>Packard</b> )	17.1%
Eastern Airlines (controlled by <b>Rockefeller</b> interests)	0.0%

## Trilaterals and Taxation

Arco ( <b>Ingersoll</b> )	11.4%
Occidental Petroleum (Armand Hammer, one-time friend of Lenin, is chairman of the board of Occidental. In 1919, Julius Hammer, father of Armand, was secretary of the Communist Party U.S.A. Hammer has been probably the most active western capitalist in building the military power of the Soviet Union.	4.2%
Gulf Oil (Gulf provides almost \$1 billion a year in oil concession revenues to the Marxist Neto regime. Gulf's Cabinda oil wells are protected by Cuban troops, thus releasing Angolans to support the SWAPO forces invading South-West Africa.	7.0%

### **TRILATERALISTS PROTECT THEIR OWN**

We can push this argument a little further. Trilateralists in government are protecting fellow capitalists from taxation.

A recent report by the House Government Operations Committee disclosed the following:

- IRS decisions on some multinational oil firms have cost the U.S. Treasury over \$7 billion since 1974. "By the early 1970's, multinational petroleum companies were operating abroad under a set of factual and legal circumstances completely at variance with those upon which the previous foreign tax credit rulings were based."
- IRS failed to audit oil company returns or require them to provide supporting information for their expense claims. (Presumably audits are only for individual taxpayers.)
- These favorable actions stemmed from "interference" by then Secretary of State Henry Kissinger.
- More recent "improper interference" for the same purpose came from Secretary of Treasury **Blumenthal**.

The committee did not cite the U.S. oil companies involved, except to note that they operate in Saudi Arabia, Libya, and Indonesia. Aramco alone was named in one place: this company is linked with Exxon and Chase Manhattan interests.

In brief, a House committee has charged Trilateralists **Henry Kissinger** and **Michael Blumenthal** with "improper interference" with IRS to obtain benefits for certain companies. Even further,

*In September 1977, at the very time that the subcommittee discovered and criticized a suggestion made by a Treasury official a year earlier to have IRS and Treasury officials "cooperate" in secret dealings with Indonesia and oil companies therein regarding foreign tax credits (a suggestion which was also admonished as being improper by other Treasury officials), the new International Affairs officials were recommending similar actions.*

Don't hold your breath expecting further investigation. Henry has either a charmed life or personal sovereign immunity from the rule of law.

Compare this protective treatment for favored Trilateral associates with the **Carter** "energy" plan. The energy plan is a disguised tax plan aimed at the middle class. **Carter** proposes to give a few low-income energy users a small credit, and tax high-income energy users. When you total up the sum of credits and the sum of taxes, it turns out that the energy credits just disappear after a year or so and the energy taxes keep on mounting.

The disappearing **Carter** energy tax credit looks like this, in net total receipts per year:

1973	\$801,000,000 credit to low income workers
1977	298,000,000 extra tax
1980	1,147,000,000 extra tax
1985	8,999,000 extra tax

This change from credits to taxes comes about because while low-income taxpayers and energy consumers qualify for credits in the early years, inflation quickly pushes these low-income groups into higher tax brackets (without credits). So by 1985 all energy users pay energy taxes and none get energy credits.

Compare this deceptive "energy plan" for taxpayers with the already cited benefits derived by Trilateralist connected firms with **Kissinger** and **Blumenthal** to run "interference" at IRS.

To emphasize the discriminatory approach of the **Carter** administration on tax matters, we can do no better than quote the congressional testimony of Philip E. Vision, supervisory revenue officer in the Chicago District Office of IRS, who in 1976 blew a small whistle on IRS procedures before the Subcommittee on Oversight of the Committee on Ways and Means. Congressmen Jones asked Vision about differing treatment of rich and poor taxpayers:

*Is there pressure to seize a small business or a poor taxpayer's property in order to close the case, and pressure to perhaps settle quickly with a rich taxpayer who has plenty of accounting and legal ability to drag things, out?*

To which IRS official Vision replied:

*In all candor, Congressman, I must say this: You will find those branches or groups that are involved in the inner city of Chicago, the low income, the closures are highest because there is really no problem. It requires no technical skills or knowledge to prepare a levy upon the employer of an employee who is getting take-home pay of about \$80. We can go in, serve the levy and take the entire \$80.*

*Certainly a taxpayer who is earning \$80 could hardly be expected to employ an expensive attorney or CPA. Usually when he comes in, in response to the levy, it is with tears in his eyes because he allocated that \$80 to the gas or electric company and because IRS took that money, his electric and gas will be shut off and also part of that money was intended to feed his family. This is a common practice.*

*I am sorry to report that, but if you would look at the closures in the poor areas of Chicago, the depressed areas, you would find that the closures of the small dollar TDA's are overwhelmingly larger than they are in the affluent suburbs of Deerfield where I live.*

## **TRILATERAL SENATOR ROTH JOINS TAX REVOLT?**

Given our skepticism of the **Carter** administration policy on taxation, how do we assess Senator Roth's tax reduction proposals? Take a hard look at the Roth-Kemp Amendment for a federal tax reduction. Senator **William V. Roth Jr.**, is a Trilateralist. The proposal would cut federal taxes by 33 to 36 percent for hard-pressed (over \$20,000) middle income groups. Effects for a family of four are contained in the following table:

**THE IMPACT OF ROTH-KEMP AMENDMENT ON  
A FAMILY OF FOUR**

Gross Income	Present Tax*	Proposed Tax*	Tax Cut	Percent Cut
\$8,000	\$120	12	108	90%
10,000	446	218	228	51%
12,500	917	539	378	41%
15,000	1,330	811	519	39%
17,500	1,745	1,092	653	37%
20,000	2,180	1,388	792	36%
25,000	3,150	2,047	1,103	35%
30,000	4,232	2,781	1,451	34%
35,000	5,464	3,589	1,875	33%
40,000	6,848	4,512	2,336	33%

\* Present Tax: After average standard deductions

Are the Trilaterals getting out in front of the tax revolt? Not at all. **Roth-Kemp** just won't increase real income. The catch is that the tax reduction under this proposal will be phased in over three years and is totally insufficient to cut the fat in Washington. We are heading into a period of further major price inflation: 10 to 15 percent a year is more than probable. Where does that leave a taxpayer pushed into higher tax brackets? He will save one-third in federal taxes under **Roth-Kemp** and lose one-third from the hidden tax of inflation! In sum, **Roth-Kemp** is a deception.

The only useful tax reform at the federal level is repeal of the Sixteenth Amendment.

**THE GRADUATED INCOME TAX OF MARX AND  
ENGELS**

To fully understand the implications of a viciously graduated income tax system aimed at the small/medium American businessman and the broad middle class and to understand as well the role of the multinationals and the international bankers who make up the power elite behind the Trilateral Commission, we need to go back to 1847 and the *Communist Manifesto* of Karl Marx and Friedrich Engels.

Of the Communist revolution, Marx and Engels wrote:

*In the first instance, this can only be affected by despotic inroads upon the rights of property and by despotic*

*interference with bourgeois methods of production; that is to say by measures which seem economically inadequate and untenable, but have far-reaching effects, and are necessary as means for revolutionizing the whole system of production.*

In brief, elimination of property owners and small- and medium-sized businessmen ("bourgeois methods of production") outside the orbit of the multinationals and international banks is an essential prerequisite to socialism.

Then Marx and Engels outline the famous ten "measures" for achieving revolution in the advanced countries to bring about socialism.

These measures are described by Marx and Engels as follows:

*In the most advanced countries they will, generally speaking, take the following forms:*

1. *Expropriation of landed property, and the use of landrents to defray State expenditure.*
2. *A vigorously graduated income tax.*
3. *Abolition of the right of inheritance.*
4. *Confiscation of the property of all émigrés and rebels.*
5. *Centralization of credit in the hands of the State, by means of a national bank with State capital and an exclusive monopoly.*
6. *Centralization of the means of transport in the hands of the State.*
7. *Increase of national factories and means of production, cultivation of uncultivated land, and improvement of cultivated land in accordance with a general plan.*
8. *Universal and equal obligation to work; organization of industrial armies, especially for agriculture.*
9. *Agriculture and urban industry to work hand-in-hand, in such a way as, by degrees, to obliterate the distinction between town and country.*
10. *Public and free education of all children. Abolition of factory work for children in its present form. Education and material production to be combined.*

Notably, there is a parallel between Marx and Trilateral propositions: centralization of credit in IMF and the Federal Reserve System parallels Marx's measure 5. AMTRAK, federal funding of rapid transit, and persistent efforts to cut down on use of individual automobiles parallels Marx's measure 6. Finally, our Sixteenth Amendment to the Constitution, the "income tax amendment," is none other than the "vigorously graduated income tax" proposed by Marx in the Manifesto. What has this to do with Trilateral multinational avoidance of taxation? Plenty, as it turns out.

It is interesting to reread Karl Marx's Manifesto in the light of the alliance between Wall Street multinationals and the Communist imperialists, Marxists, especially, should reread Marx. The enemy of Marxist totalitarianism is not the capitalist but rather the "bourgeoisie," the middle class. Marx sees the bourgeoisie as the source of all that is evil, yet he does not include all the ruling establishment in those designated for elimination. To the contrary, when the class war is about to be fought to a finish, Karl Marx envisaged a curious event: "a small part of the ruling class breaks away to make common cause with the revolutionary class, the class which holds the future in its hands."

In sum, Marx envisaged a coalition of ruling interests of the revolutionary Marxists and a segment of the ruling class. This is precisely what history has recorded in the hundred or so years since the Manifesto was published. One of the most significant forces in modern world development has been the assistance from a relatively small yet powerful part of the ruling Western establishment to the Soviet Union channeled through such influential organizations as the Council on Foreign Relations (CFR) and today, the Trilateral Commission. In Marx's terms, are not Cyrus Eaton, Armand Hammer, **David Rockefeller** and the Trilateral Commission ruling class breakaways? Have not Marxists and the "breakaway ruling class capitalists" joined hands to eliminate the American middle class? Unfortunately, academic analysts are blind to the implications of the alliance: they read Marx with preconceptions. So let's present some evidence.

Earlier this year, the Marxist government of Angola reorganized Diamang, its diamond-producing monopoly. Now the Neto Marxist government will own 60.8 percent, and the balance will be owned by the former foreign corporate owners. It will be a mixed company. But which former owners will be expropriated to make way for the new Marxist shareholders? Not the big greedy capitalists we hear so much about in socialist literature, but, in the words of the Neto government "a large number of small shareholders." The major "foreign companies," the large multinationals, that is, the ruling capitalists, will not be

affected by the takeover. In other words, the ruling class joins hands with Marxist revolutionaries against the small bourgeois owners.

Another example follows for those readers who have read Antony Sutton's *Wall Street and the Bolshevik Revolution* and who may remember that in 1918 the leading Wall Street law firm supporting the infant Bolshevik regime in Russia was Simpson, Thacher and Bartlett of New York. As one indication of their support, partner Thomas D. Thacher wrote a report which became decisive in gaining British cabinet support for the Bolsheviks. Also Thomas Lamont, Dwight Morrow, and H. P. Davison were closely involved in developing policy towards the Bolsheviks: all were partners in the J. P. Morgan firm.

While in London on 13 April 1918 Thomas D. Thacher, a member of the American Red Cross Mission to Russia, wrote to the American ambassador in London that he had received a request from H. P. Davison, a Morgan partner, "to confer with Lord Northcliffe" concerning the situation in Russia and then to go on to Paris "for other conferences." Lord Northcliffe was ill, and Thacher left a memorandum to be submitted to Northcliffe on his return to London with yet another Morgan partner, Dwight W. Morrow. This memorandum not only made explicit suggestions about Russian policy that supported the pro-Bolshevik position of William Boyce Thompson (director of Chase, now Chase Manhattan, Bank), but even stated that "the fullest assistance should be given to the Soviet government in its efforts to organize a volunteer revolutionary army."

The first three proposals in Thacher's report follow:

*First of all...the Allies should discourage Japanese intervention in Siberia.*

*In the second place, the fullest assistance should be given to the Soviet Government in its efforts to organize a volunteer revolutionary army.*

*Thirdly, the Allied Governments should give their moral support to the Russian people in their efforts to work out their own political system free from the domination of any foreign power...*

Was Wall Street attorney Thacher a capitalist enemy of the Bolsheviks? Of course not. Thacher was right in there, helping the revolution, as part of the "breakaway ruling class," along with capitalists from J. P. Morgan and Chase Bank.

Similar aid for Marxist revolution is taking place today in South Africa and Red China. And who is U.S. secretary of state today in charge of facilitating this aid? **Cyrus D. Vance**, who before his appointment as secretary of state was also a partner in Simpson, Thacher and Bartlett. As a final twist, do you recall that Senator Clifford P. Case was defeated in the primaries last month in New Jersey? Well, Clifford P. Case was also a member of the firm of Simpson, Thacher and Bartlett from 1928 to 1953, when he became president of the Fund for the Republic, the foundation that funded the study for a "new constitution" so desired by the elite.

Yet another memorandum from William Boyce Thompson (director of the Federal Reserve Bank of New York and Chase Bank) to Lloyd George (prime minister of Great Britain,) December 1917, supported the Bolsheviks and admitted in part:

*About the overthrow of the last Kerensky government we materially aided the dissemination of the Bolshevik literature, distributing it through agents and by aeroplanes to the German army. If the suggestion is permissible, it might be well to consider whether it would not be desirable to have this same Bolshevik literature sent into Germany and Austria across the West and Italian fronts.*

Does this sound as if Wall Street and the Bolsheviks were enemies?

Another excellent example of the capitalist-communist alliance is Gulf Oil in Angola, the financial backer of the Neto government, while Cuban troops protect Gulf's Cabinda production facilities.

And how about Armand Hammer, chairman of Occidental-Petroleum? In the Russian edition of Lenin's Collected Works, you will find several letters from Lenin to Hammer addressed affectionately as "Dear Comrade." Capitalists, the big enemy of communists? Nonsense. They work hand-in-glove to rule the world.

The key to understanding world events is to look at the world in terms of a Marxist Ruling-Class Alliance. Then seemingly inconsistent actions and events make sense:

- The elite subsidizes Marxist regimes: they are not enemies.
- The elite abandons free enterprise allies: it wants socialism.
- The elite presses for more individual taxation. that is, the Marxist "graduated income tax."

- The elite reduces its own taxation in the same way that the Moscow elite lives it up at the expense of the Russian working class.

The textbook modern history is illusory because it is based on a mythical capitalist versus communist struggle.

Thus, when we are asked to believe that Trilateral ambitions are morally justified to build a New World Order devoted to the peace and welfare of mankind, two points strike us: (a) this end does not coincide with other interpretations of Trilateral motivations and actions, and (b) the means adopted appear authoritarian and suggest that the ends may also be authoritarian.

What are some of the practical lessons we can learn from this alliance?

- If you are a small- or medium-sized business man or banker, a professional, or part of the "middle class," you are targeted for elimination.
- If you are actively working for a multinational (among those cited in this book), you may as well work in the Kremlin: you are assisting destruction of free enterprise and the free world.
- If you are a socialist, you are deluding yourself. You are working hand in hand with the totalitarians you proclaim to despise.
- If you, as an individual, are interested in tax reform, the only acceptable tax reform is complete repeal of the Sixteenth Amendment.

### **ENDNOTES: CHAPTER SIX**

1. Congressional Record - House, 26 January 1978.

## CHAPTER SEVEN

# TRILATERAL CENSORSHIP: THE CASE OF C. GORDON TETHER

Trilateralists by their own statements see freedom of the press as a threat to achieving their objectives, the First Amendment of the Constitution notwithstanding. In *The Crisis of Democracy*, Trilateral authors **Michael J. Crozier**, **Samuel P. Huntington**, and **Joji Watanuki** describe our society as drifting with a "dangerously progressed alienation." The media, it is argued by the three authors, has played a role in this alienation, and "the media have thus become an autonomous power...we now are witnessing a crucial change when the profession (the media) tends to regulate itself in such a way as to resist pressure from financial or governmental interests." <sup>1</sup>

Note the key phrase: "resist pressure from financial or governmental interests." We shall see later that the Gordon Tether case in England fits this mold precisely.

Trilateralists do not like resistance to special interest pressure because "the media deprive governments and to some extent also other responsible authorities of the time lag, tolerance and thrust that make it possible to innovate and to experiment responsibly." <sup>2</sup>

Again note the self-appointed Trilateralist role as "responsible authorities" and the threads of authoritarianism woven into this brief passage. And further: "the media become a tremendous sounding board for the difficulties and tensions of society. Movements and fashions take broader proportions. It is much more difficult to escape the whirlpool of public relations events and to concentrate on more basic problems."<sup>3</sup> In other words, legitimate grievances can be stated and faulty government criticized, but this weakens "authority."

What do the Trilaterals propose to do about this "threat" of free expression? In *The Crisis of Democracy*, the counter action is spelled out: "...significant measures are required to restore an appropriate balance between the press, the government and other institutions in society."<sup>4</sup> Specifically, Trilaterals call for an interstate commerce act for the media, that is, a regulatory agency for the media, to assure to the government the right and the ability to withhold information at the source.

So here we have it. Trilaterals want a "responsible" press, that is, a captive censored press, and propose legislation to achieve this end. While waiting for appropriate legislation, Trilaterals are applying an

informal censorship. There are some annoying journalists - like Gordon Tether of London - who feel a higher call than that of crass Trilateralism and - who are persecuted by Trilateralists.

In this chapter we will detail one case of Trilateral censorship in an English newspaper, and incidentally illustrate the long globalist arm of Trilateralism. Secret elitist groups always censor, or try to censor, news about their covert activities. Censorship stems from the overall need for secrecy, to conceal from the world at large. As long as Trilaterals (and Bilderbergers and other elitist groups) skulk around the world convening closed meetings in secluded corners with security guards to keep out the press then we may conclude that Trilaterals, Bilderbergers, and the rest have something to hide. For that reasonable conclusion, we shall probably be labeled "paranoid" - but the name calling is merely added emphasis of covert doings.

From an intelligence viewpoint knowledge of what such secret groups want to suppress is important – submerged "inside" information is a reliable clue to actual intentions, as opposed to public stated intentions. The case of C. Gordon Tether, a prominent London journalist, is important precisely because a Trilateral commissioner squashed Tether's articles. Tether, for his part, retained the suppressed information and has since made it available to the public.

Who is C. Gordon Tether? Tether, age sixty-three, is a very well-known London journalist. For twenty years Tether wrote as the Financial Times's "Lombard," the longest running columnist in England and listed as such in the Guinness Book of Records. After 1974 some Tether articles were not printed and some not-too-subtle hints were made by the Financial Times about rewriting others. Tether refused and was thrown out on his ear – after twenty years at the Financial Times, and only a year or so before retirement.

The managing editor who banned the articles and did the firing is German born Trilateral Commissioner M. H. (Ferdy) Fisher. Of added significance to the United States is the Financial Times's plan to enter the American market in late 1978 with a special edition printed in West Germany. Of still further significance is the Trilateral influence in the media, such as, La Stampa (Italy), Avanti (Italy), Die Zeit (Germany), Field Enterprises (U.S.) and the Kyodo News Service (Japan).

### **WHO READS GORDON TETHER?**

What makes Gordon Tether especially damaging to Trilateral ambitions is his readership. And let's make it clear from the start that this author does not necessarily agree with all Tether's views; what is critical is the suppression of free speech and the subject matter

suppressed. Tether's readers would make most of us writers downright envious. For instance, they include(d):

- King Faisal of Saudi Arabia, who had such high regard for the "Lombard articles they were translated into Arabic for Faisal's personal perusal..."
- Conservative member of Parliament Peter Tapsell, who considers Lombard articles "required reading" for someone like himself (although Tapsell disagrees on Tether's low marks for the Common Market and the value of multinationals).
- Harold Wilson (Labor prime minister) who cited Tether as "...one of the most distinguished independent writers..."
- Former *Financial Times* editor (for twenty years before **Ferdy Fisher**) Sir Gordon Newton, who testified that Tether was "amenable to suggestions from him" and that "he (Newton) would not ban a subject." Further that he (Newton) "always defended Mr. Tether's column on occasions when it was disapproved by members of the *Financial Times* board."
- Labor Minister for Overseas Development Mrs. Judith Hart, testified, "...it would be a very dangerous situation if columnists in our newspapers were to find they were not able to say what they thought."

You see why Tether's writing could be either extremely useful to Trilateral ambitions or extremely damaging?

Over twenty years Tether had built up an influential and admiring (if not always agreeable) readership. That adds up to power, although Tether is almost certainly not looking for power. Trilateralists are well aware of the crucial role of journalism in surfacing or suppressing information. **Michel Crozier**, **Huntington**, and **Watanuki** in *The Crisis of Democracy* term media "the gatekeeper":

*"Their main impact is visibility. The only real event is the event that is reported and seen. Thus, journalists possess a crucial role as gatekeepers of one of the central dimensions of public life."*<sup>5</sup>

Now there is much information that Trilaterals do not want seen by the public, that they want to remain invisible and to go unreported and suppressed as nonevents.

Unruly journalists who do not read the guidelines on the elitist gate are unwelcome: after all they have the means to sabotage the New World Order.

### THE BANNED ARTICLES

Forty-six Tether articles were banned by Financial Times editor cum Trilateral Commissioner **Ferdy Fisher**, presumably because they contained information which was supposed to remain invisible.

Certainly an editor has control over the content of a newspaper or journal. That is an editor's right and responsibility. However, in Tether's case, a long-lasting twenty-year editorial relationship had been established by mutual consent - so that Fisher's censorship was a one-sided action tantamount to breach of contract. This is a vital point to hold in mind. Moreover, many of the "banned articles" were later published elsewhere, ranging from the *Spectator* (conservative) to *New Solidarity* (socialist), which makes nonsense of the *Financial Times's* plea that Tether's articles were "not up to standard."

The most objective way to get to the root of the Tether-*Financial Times* dispute is by a theme analysis. Every piece of writing has a theme. By assessing and grouping themes, one can isolate what, if anything, was annoying Commissioner **Fisher**. We extracted a random sample of nine articles (every fifth banned article) and listed their themes. (See table.) Run your eye down the list of selected banned titles. Then do the same with the theme column. There is a common theme which will hit readers like a ten ton truck.

The themes of the nine selected banned articles 6 strongly suggest what is bothering **Ferdy Fisher** (and his Trilateral cohorts). Any editor or writer in the transatlantic Establishment press who touches upon certain topics too often or in too much depth receives a polite telephone call to suggest that "perhaps you have exhausted the potential on this topic."

#### THEME ANALYSIS OF NINE TETHER ARTICLES (RANDOM SELECTION)

TITLE	BANNED	THEME	COMMENT
<i>Need for a City Lobby</i>	5 July 1974	One-sided nature of city propaganda promotes international bankers without exposing the unflattering aspects of "the city."	BANNED
<i>Spotlight on the</i>	12 Feb. 1975	Weakness of the Honours	Later published in:

<i>Honours System</i>		System is inability to get away from class distinctions - the system needs reexamination of. not increase. in awards to business.	Spectator. 22 Feb. 1975
<i>Silencing the Resistance</i>	12 June 1975	Suppression of anti market forces is first step towards a police state.	BANNED
<i>Newsletters at Loggerheads</i>	19 Sept. 1975	Vigorous differences among the hard money letters	BANNED
<i>Supercapitalists Fall Out</i>	16 Jan 1976	Something needs to be done about the supercapitalists (including Rockefellers) before their conflicts disturb world peace	Later published in: New Solidarity , 23 January 1976
<i>The Prince and the Bilderbergers</i>	3 March 1976	"Bernhard and Bilderbergers meet in secrecy. If there is nothing to hide. why so much effort to conceal?"	Later published in: Verdict, November. 1976
<i>Mocking at the Spirit of Easter</i>	15 April 1976	It is time that leaders of the world grow up and stop spending \$500 billion a year on armaments	BANNED
<i>Those Roosting Chickens</i>	10 May 1976	Anti-European Economic Community	BANNED
<i>Losing Ground in Battle of Ideas</i>	5 July 1976	IMF is an engine of inflation. needed to phase out key role of U.S. dollar.	BANNED

No fewer than five Tether articles (of the selected nine) have a common theme - a "no-no" theme of criticism of the supercapitalists, international bankers who act as if God has ordained their right to rule the world. Two articles are anti-European Economic Community (EEC), and EEC is a vital first step to the global authoritarian structure demanded by Trilaterals. Let's look briefly at each of these nine banned articles:

(1) A July 1974 article ("Need for a City Lobby") points out the one-sided nature of City (of London) propaganda and its delicate avoidance of the seamy side of the financial world. Just a week before this **Ferdy**

had banned another article ("Beyond the Limits of Detente"), in which Tether attacked the supercapitalist **Kissinger** policy of subsidizing Soviet military prowess. From this author's personal experience at the Hoover Institution at Stanford University (influential Trilateralist **David Packard** is on the executive board), I can assure the reader that our subsidy of the USSR is a very touchy subject among Trilaterals - they know they are betraying the Western world but can't resist the profits.

(2) "Spotlight on the Honours System" (banned 12 February 1975 but printed ten days later in **The Spectator**) refers to the British system of awarding "Honours," that is, titles, in an annual "Honours List." Tether made a simple point: that the great disadvantage of such a system is "our inability to get away from class distinctions." Furthermore, businessmen are well rewarded monetarily for expertise and shouldn't be clamoring after such baubles. Tether suggests resentment is thereby generated and undue attention is given to "unscrupulous power-seekers."

(3) "Silencing the Resistance" (banned, 12 June 1975) touches on the Europeanization of England, a necessary first step to a Trilateralist world government. Tether doesn't like Europeanization, nor the EEC (European Economic Community). The theme is that suppression of anti-EEC views makes England a "one party state" and could be "the first step down the path leading to a Police State."

(4) "Newsletters at Loggerheads" (banned 19 September 1975) is another "no-no" subject in the Establishment media. There are several hundred "hard money" (i.e., pro-gold) newsletters, maybe more, mostly in the United States, which over the last decade have been far more accurate in their advice than pro-Establishment financial media. Tether reports in this article on their differences, affirming that a healthy underground financial press exists. Schultz and Myers for example may have differences, but both have been more right in their prognostications over the long run than such newsletters as Greens Commodity Reports or newspaper financial columnists such as Sylvia Porter who tend to reflect the Establishment "party line." Schultz, Myers, and other pro-gold newsletter editors are "non-persons" so far as the Establishment is concerned.

(5) In "Supercapitalists Fall Out" (banned 16 January 1976) Tether comments favorably on Solzhenitsyn and argues that the rivalries among the supercapitalists can have great significance for the world. We should start to take an interest in their doings before they get us into trouble. Tether cites Woodrow Wilson's famous lines: "Some of the biggest men in the U.S. in the fields of commerce and

manufacturing know that there is a power so organized, so subtle, so complete, so pervasive that they had better not speak above their breath when they speak in condemnation of it." Tether correctly records that this behind-the-scenes power still exists. Of course this is another "no-no" for the Establishment press; you won't find *this* topic investigated by the Washington Post, and the New York Times.

(6) In "The Prince and the Bilderbergers" (banned 3 March 1976) Tether hit the jackpot. Every self-respecting journalist knows that the Bilderberger secret comings and goings and meetings are just *not* to be reported in depth. But Tether actually complained, "why is it that, if there is so little to hide, so much effort is devoted to hiding it?" Tether's conclusion is logical: *the Bilderbergers have something to hide*. (The article was later published in Verdict in November 1975.)

Prince Bernhard (onetime leader of the Bilderbergers) was personally involved in the messy Lockheed kickback affair, and this supports an argument that all these groups (Trilaterals, Bilderbergers, Council on Foreign Relations and so on) use moralistic talk of peace and world order as a cover for their own profit.

(7) "Mocking at the Spirit of Easter" (banned 15 April 1976) comments critically on Citibank's proposal for a thirty year rearmament program against Soviet imperialism. One can understand Citibank sensitivity. Not only has Henry Wriston publically made known his dislike of such freewheeling commentary, but Citibank is one of the international banks responsible for the need for rearmament. These bankers financed and subsidized the Soviet Union to its present military prowess. Heaven forbid that any journalist should publicly discuss *that* story of greed and amorality.

(8) "Those Roosting Chickens" (banned 10 May 1976) continued Tether's anti-EEC commentary.

(9) The final article in our random selection, "Losing Ground in Battle of Ideas" (banned 5 July 1976), the most important theme is that the IMF is an engine of world inflation and that reform of the world's monetary system must begin with phasing out the key role of the U.S. dollar.

What can we say about the overall thrust of these nine banned articles?

- All the articles in some way are critical of "the powers behind the Establishment," that quasi-secret world rarely, if ever, reported in the U.S. or European media.<sup>7</sup>

- Six of the nine banned articles zeroed in on the internationalist banking establishment and their power games. Tether's rather mild view is that their globalist antics may not be healthy for our world.
- Tether names names - **Rockefeller**, Citibank, **Prince Bernhard**, Bilderbergers - and it is notable that the context in which these names were reported, that is, as having met in secret conclaves, is rarely, if ever, mentioned in the U.S.

In recent years an exposure of these groups has been made by independent academics in the U.S. One of the best is a series of books by G. William Domhoff, professor of sociology at University of California, Santa Cruz. Domhoff explores the American ruling class, its operations, 8 functions, and meeting grounds in *The Higher Circles* (1970), *Who Rules America?* (1967), and *The Bohemian Grove and Other Retreats* (1974.) These books also portray the background of Trilateral Commission operations and the sensitivity of the ruling elite when its more nefarious activities are exposed to public view. That is, after Domhoff's careful exploration of the heavy drinking and prostitution in the Bohemian Grove retreat, for example, we are left with an explanation of the ineptness and lack of moral fiber displayed by the elite in international affairs. After such exposes we might accurately view the elite as a group of naughty little boys, rather than the far-sighted statesmen of their own self-portraits.

## **GORDON TETHER AND THE MISSING GOLD**

While this surfacing of suppressed information is quite sufficient to turn Establishment heat onto Tether he may have sinned further by refusing to accept the party line for the condition of the U.S. gold reserves - although Tether's Fort Knox articles were not banned.

Tether was probing the "Fort Knox gold mystery," that is, the possibility that U.S. gold reserves are not as reported. On 11 February 1975 Tether wrote an article raising questions on the quality and quantity of U.S. gold reserves, and he presented his grounds for believing that a gigantic "cover-up" is in progress - that the U.S. gold (if any) is at least of inferior quality (and Washington acts as if an inventory might reveal some unpleasant secrets).

There is no doubt that the Establishment is sensitive on this issue. In November 1977 this author made the observation (at the Monetary Conference in New Orleans) that four-fifths of the gold in U.S. stocks is .85 coin melt, not acceptable for "good delivery." *Commodities Journal* picked this up and asked pro-Establishment Charles R. Stahl of Greens Commodity Reports about this statement. Stahl immediately, as

if stung by a bee, responded, "This is nonsense." Yet a telephone call to the Treasury Department will confirm the coin melt nature of U.S. stocks. On the other hand, the alloy-grade quality of the reserves is a fact that the elite wishes to be kept invisible.

In brief, we know there is a knee-jerk reaction to hide two facts:

- a. The quantity of inventoried gold in U.S. reserves,
- b. The quality of this gold, Le. 80 percent is alloy "coin melt."

The assault on Tether may well stem in part from his willingness to tackle this potentially explosive scandal.

## **ELITIST INFLUENCE IN BOOK PUBLISHING**

This raises the question of the extent to which the book publishing industry has been dominated by elitist themes and concepts. While this must be balanced by the observation that Harper & Row published *The Bohemian Grove*, and Hawthorn, *The Plot to Seize the White House*, on balance it is usually difficult to publish anti-Establishment books in the U.S.

How pervasive is Trilateral censorship in the U.S.? Potentially, there is an unhealthy penetration by Trilateralism of the book publishing industry. This may give you an idea of the scope:

1. CBS (Commissioner **Henry B. Schacht** is a director) owns Holt, Rinehart & Winston, Popular Library and Fawcet (about 15 to 20 percent of mass paperback market), plus seven monthly and 60 annual magazines
2. TIMES-MIRROR (Commissioner **H. Brown** is a director) owns: Harry N. Abrams (art publisher), New American Library (mass paperback) and Los Angeles Times
3. TIME, Inc. (Commissioner **Hedley Donovan** is editor-in-Chief and **Sol Linowitz**, is a director) owns: Little, Brown; New York Graphic Society; Time/ Life Books; Book of the Month Club plus Time, Fortune, Money, and People.

In practice, elitist dominance of book publishing does not stop books from being published; however, it does inhibit widespread distribution. Book publishing has low barriers to entry: the capital and skill requirements are relatively low. The essential requirement for success is the marketing skill of obtaining distribution; and in recent decades, a flood of anti-Establishment books demonstrates that increased

distribution is possible. On the other hand, there are curious events to suggest elitist intervention at some point in the book distribution channels. A personal example will make the point. In 1974 this author published *Wall Street and the Bolshevik Revolution* with a New York publishing house (Arlington House.) Given the esoteric nature of the topic, sales were quite respectable - something over 25,000 in hardback. Yet, distribution of the book through regular channels was effectively strangled.

The trade journal *Publishers Weekly* (5 August 1974) selected the book for its leading entry under "nonfiction" with a healthy four inch review. Most books receive a couple of lines and, of course, only one book leads off each section. Obviously, the reviewers at *Publishers Weekly* took the material at face value. The review read as follows:

NONFICTION  
WALL STREET AND THE  
BOLSHEVIK REVOLUTION

*Anthony (Sic) C. Sutton. Arlington House, \$7.95. Professor Sutton, affiliated with the Hoover Institution at Stanford and author of "National Suicide" (1973), uses State Department files, private papers of Wall Street figures and other sources (biographies, etc.) to document his astonishing thesis that Wall Street, notably the J.P. Morgan interests, played money games with both the Kerensky regime and the Bolsheviks in 1917. Among other things he notes the preponderance of U.S. financiers rather than humanitarian personnel on the American Red Cross Mission to war-torn Russia at that time; he suggests too that the American writer John Reed ("Ten Days That Shook the World") was secretly supported by the Morgan people. At least by association Sutton demonstrates an eyebrow-raising interest on the part of Wall Street powers in making hay with their archenemies some 50-odd years ago. Conservative Book Club selection. (September 3, 1974)*

*The above report is objective and adequate. It appears that Publishers Weekly plays no favorites. Then "something" happened. Not a single bookstore in the U.S. known to the author carried the book. A few ordered the book for customers by special request. Not a single review of the book was published in the Establishment press nor the left-liberal press. The book was effectively made "invisible." Sales were made through a book club and by mail order for the most part. Why? Obviously, because of the extreme sensitivity of the topic, no bookseller would stick his neck out.*

Certainly, there is potential for massive intervention into freedom of expression by elitist suppression. Currently the Authors' Guild is pressing the Department of Justice to institute a Clayton Act case against publishing mammoths, fearing that authors' freedoms have already been infringed upon. Yet, the problem is much more than mere financial control of the press and publishing. A greater roadblock to public comprehension has been expressed by Trilateralists themselves:

*...the ruling elite and the educated audience play a major role as an important screen. They constitute the primary audience of the highbrow publications, which in turn tend to structure the problems that will finally reach the broader audience. Public relations of a public figure will be conditioned by the existence of these two levels. This means that there is a very serious buffer against too immediate reactions."*<sup>9</sup>

In brief, problems and solutions are already "structured" *before* they reach the general public.

About 1984 when the Trilaterals meet to review progress, or lack of progress, in the past decade, they will find a fundamental error in their strategy. From the start, it has been known that the Trilateral thrust is in conflict with the Constitution of the United States. Efforts have been made - by the Fund for the Republic and others - to amend the U.S. Constitution. This was an impossible objective. American citizens like the protections of the Constitution, especially protection from those ambitious persons who would rule the world. So an elitist decision was made to go it without changing the Constitution - to meet the problems as and when they arose, trusting that the cement of the New World Order would harden before enough citizens were aroused to protest the violence to the Constitutional order. This will prove to be the crowning error.

In any event, English journalist Gordon Tether may have the last laugh yet: *Financial Time's* circulation is slowly shrinking - down 7.2 percent from 1973 - and readers don't take kindly to the idea that their daily newspaper may be filtering news. Yet Gordon Tether's case is a warning to us. Tether has appealed to the London Industrial Tribunal for arbitration in the dispute; and it is already the longest such hearing in the history of the Tribunal. In England there is no constitution, only a convention to define freedom of expression. There is, on the other hand, the First Amendment in the United States. So we would do well to sharpen our awareness and be watchful for any intrusion upon freedom of the press from whatever quarter it may come.

## ENDNOTES: CHAPTER SEVEN

1. Michael J. Crozier, Samuel P. Huntington. Joji Watanuki. *The Crisis of Democracy* (New York: University Press. 1975) p. 35.
2. *Ibid.*, p. 35
3. *Ibid.*
4. *Ibid.*, p. 181
5. *Ibid.*, p. 35
6. If you believe the random selection process is unfair or biased. then purchase "The Banned Articles" and read all fifty-six. Copies may be obtained from The Trilateral Observer, Box 4775. Scottsdale, AZ 85258. Enclose \$3.50 please.
7. The only English language newspaper in recent times to run an exposure series on this behind-the-scenes power has been *The Citizen* (Pretoria. South Africa). understandably peeved at U.S. interference in internal South African affairs. *The Citizen*. no doubt. decided to blow a small whistle. Reprints available from ACSA Foundation. P.O. Box 4335. Scottsdale. AZ 85258.
8. On this. see G William Domhoff's *The Bohemian Grove and Other Retreats*. (New York: Harper & Row. 1974).
9. Michael J. Crozier et al.. *Crisis of Democracy*. p. 36

## CHAPTER EIGHT

### TRILATERAL HATRED OF GOLD

Trilaterals hate gold because it is a restriction, and an insurmountable restriction, on the fulfillment of their global ambitions. An "elastic" currency controlled by the Federal Reserve System gives power to control the broad direction of the financial structure and the economy. Gold, however, gives sovereignty to individuals and removes them from the center of authority. No totalitarian system can be operated on gold: both Hitler and Stalin are proof of this point. Similarly, Trilaterals need to remove gold from the world monetary system before their globalist ambitions can be achieved.

Triangle Paper 1, *Towards a Renovated World Monetary System*, contains the blueprint for world monetary arrangements. Naturally, gold, the challenge to the world order authority, is treated with disdain in the New World Order central bank; and it is proposed that

- Reserves will be held *only* as Bancor, an artificial "goldless" money,
- National currencies *will not* be counted in reserves, and
- Gold will have no role at all in the new international money system.

The Trilateral Commission has its hands squarely on the U.S. gold policy faucet: any decision to sell U.S. official gold reserves will be made by Commissioner **W. Michael Blumenthal** (secretary of the treasury) and **Anthony Solomon** (under secretary of the treasury for monetary affairs). However, Triangle Paper 1 also reflects enough realism to agree that this goldless artificial money world is "some time away." The authors, therefore, propose certain market actions to reduce the international monetary role of gold. "We believe in action consonant with our long-run objectives and at the same time advancing the interim aim of calming markets would be the coordinated and joint sale of official gold into private markets."<sup>1</sup>

The stated intent in Paper 1 is to depress the price of gold "greatly" and "interject much uncertainty into the market place." An earlier Trilateral proposal to use gold sales to raise funds for the LDCs has already been adopted, and Trilaterals have the political clout in IMF and the treasury to carry out such policies in the immediate future. For example, a recent letter (dated 19 July 1978) from assistant secretary for legislative affairs at the treasury to Congressman J. Kenneth

Robinson even went so far as to reject the national security role of the U.S. gold reserves:

*The Treasury program of monthly public sales of gold does not affect the ability of the United States to meet strategic or domestic gold mines which exceeds that required for defense-related uses. Moreover, our existing stocks are extremely large in relation to such uses for the foreseeable future. Gold is not an important medium of payment, and the relatively small amounts which might be useful in unusual circumstances can readily be provided. We have seen no practical need, therefore, to regard any specific portion of our stocks as a contingency reserve.*

Trilateral gold policy reveals a long-run intent to impose a world dictatorship through control of money but also an uncomfortable awareness that gold is a fundamental challenge to these objectives. In contrast to this wariness, the Trilateral gold proposals will not solve their problem. The war on gold is age old. It didn't start with current New World Order dreams. No political power has ever defeated gold - because it is portable sovereignty. Those individuals who dislike or distrust Trilateral intentions will simply buy and hold onto gold. Gold is *their* lifeline to a sane world, and it will be the Achilles' heel of the Trilaterals.

What the Trilaterals do not understand is the vital necessity of gold for any nation. Maybe the Trilaterals dream of a goldless one-world dictatorship, but they need gold to attain this dream. History is replete with instances of the usefulness of gold. The U.S. financed and won World Wars I and II with gold. In 1941 we had almost two-thirds of the world's gold stock and a national debt of only \$40 billion, short term obligations to foreigners of only \$3 to 4 billion, a favorable balance of payments, and a money supply of only \$42 billion covered by \$24 billion in gold, a ratio better than 1:2. In 1943, when it looked as if Rommel were defeating our forces at Kasserine Pass, General Mark Clark had to pay for military supplies in gold: suppliers would not accept paper dollars. The same happened in the Pacific following defeat at Pear I Harbor. French monetary expert, Jacques Rueff, de Gaulle's financial adviser stated: "I am not sure that your military people, for reasons of national security in case of emergency want to be left with so little gold." <sup>2</sup>

Proponents of a goldless world speculate that the value of the dollar - its purchasing power abroad - depends on a country's productivity without the gold cover.

Under the guidance of academic monetary experts, Trilaterals have been assured that gold can safely be removed from the world monetary system. For instance, Charles Kindleberger, professor of economics at MIT made the following statement to Congress in 1968:

*My inclination is to stabilize the ratio of gold to dollars as long as our gold stocks hold out - and I predict that this will be a very long time - and then to move, not to gold, but to dollars as an international medium of exchange, as it now is, and store of value, as it is in part - dollars managed by an internationally determined monetary policy, to be sure, but dollars.*

*An analogy between language and money suggests that the dollar is the equivalent of English, which is the world's lingua franca for communication, especially in business and science; the French proposal to return to gold is like trying to restore the world to the use of Latin, the language of world intellectuals in the Middle Ages.*<sup>3</sup>

This statement is ridiculous in the face of history. No fiat currency has ever survived. Yet in spite of history, the Trilateral commissioners have a concerted action plan to implement a sell-gold policy.

Commissioner **John H. Perkins** (chairman of the Continental Illinois Bank and Trust Company) has discontinued sales of all gold coins at his bank (Krugerrands, Mexican pesos, and Austrian coronas), reportedly because gold coin sales weren't producing profit for the bank. More likely, however, the move was in line with overall Trilateral objectives. Paradoxically, **Perkins** wrote in *Dialogue* (Spring 1976) that "it will be little benefit to anyone if there is a repetition of the policies which led to the devastating world wide inflation and subsequent recession experienced during the first half of the 1970s."<sup>4</sup>

In another action, Commissioner **Harold Brown** (secretary of defense) has ordered the Department of Defense (DOD) to dispose of the emergency store of 15,000 gold sovereigns and gold napoleons used in the "escape kits" carried by air crew members over hostile territory. From now on, USAF crew members crash landing in enemy territory will presumably offer paper dollars or computer blip Special Drawing Rights (SDRs) to hostile inhabitants.

Commissioner **Blumenthal** has blocked the effort of the President's Commission on Olympic Sports to mint a gold commemorative coin or medal. The committee estimates a gold coin would generate \$300 to 500 million for the Olympics. Unknown to the committee, its gold program is unwelcome to the Trilaterals - it would put gold in the hands of individuals.

Moreover, a bill to strike gold medallions from the U.S. gold stock (SB 2843) introduced by Senator Jesse Helms has come under bitter attack from **Blumenthal** and the treasury. **Blumenthal** has stated publicly that he fears the medallion will be used as a coin:

*I do not believe it is in the public interest for the U.S. Government to take an action which would encourage our citizens to use gold as a substitute for U.S. legal tender as a medium of exchange; moreover, the issuance of such gold medallions could lead those who favor the return to a gold-based domestic monetary system to seek to make such medallions legal tender as the next step in a continuing process to restore the monetary role of gold.*<sup>5</sup>

This statement flies in the face of history: people, not governments, decide ultimately what will be used as a means of exchange.

But, the Trilateralists are skating on thin ice in attacking gold; to attack from strength, they need gold in the vaults. Perhaps Trilateralists actually believe that the United States has the world's largest above-ground gold stock. Not only Establishment media but well informed foreign sources assume that the U.S. has \$11.5 billion of good delivery gold in Fort *Knox* which, if placed on the market, would collapse the price.<sup>6</sup>

We know Trilaterals want to sell gold and that **W. Michael Blumenthal** and **Anthony Solomon** will make the decision to sell gold. The question is, Does the U.S. really have the gold to sell?

Although the official gold reserve statistics are recorded as "Gold stock - \$11.719 (billions)," the United States doesn't have that much good delivery gold in the vaults. We assume that the "gold" referred to in official statistics is good delivery bullion, valued at the "official price" of \$42.22 an ounce, as established on 21 September 1973. This is not so. The bulk of U.S. gold reserves consist of unmarketable gold alloy of .85 fineness and less, not good delivery bullion of .995 fineness and above in 400 ounce bars.

The official published statistics are grossly misleading. The latest unpublished U.S. Treasury inventory of "good delivery gold bars," the quality called for in world markets, is as follows (as of 1 November 1977, compared to 1973 to indicate changes):

**INVENTORY OF U.S. TREASURY GOOD DELIVERY GOLD BARS  
(1973 and 1977)**

**Total Weight of Bars in Ounces**

<b>Weight of Single Bar</b>	<b>November 1973</b>	<b>November 1977</b>	<b>Change (Minus)</b>
5	2,650	2,450	(200)
10	48,850	6,470	(42,380)
15	270	0	(270)
20	260	0	(260)
25	142,350	23,075	(119,275)
30	1,140	0	(1,140)
50	398,250	0	(532,750)
400	47,350,800	48,016,800	660,000
1000	-	280,000	280,000
<b>Total</b>	<b>48,477,320</b>	<b>48,333,145</b>	<b>(144,175)</b>

\* Source: U.S. Bureau of the Mint.

*NOTE: At the "official" price of \$42.22 per ounce, the U.S. gold stocks should be recorded as: 48,333, 145 fine ounces times \$42.22 equals \$2,040,625,381, or roughly \$2 billion, compared to the official published figure of \$11.5 billion), assuming this gold is in the vaults. No physical inventory has been taken. While there were audits of the seals in 1953 and 1976, audits of seals are not inventories of gold bars. Readers interested in the possibility of "missing gold" should send a self addressed business size envelope (with 24 cents U.S. postage) to Edward Durell, P.O. Box 586-PW, Berryville, VA 22611 for further information.*

The balance of the gold stock is "gold alloy" of .85 fineness or less, mostly coin melt (i.e., the coins seized for FDR in 1933). It cannot be sold as good delivery.

Compare this 48 million ounces of good delivery gold to the European stocks:

## Trilateral Hatred of Gold

<b>Country</b>	<b>Approximate Ounces</b>
West Germany	115,000,000
France	97,000,000*
Italy	80,000,000
Switzerland	80,000,000
Netherlands	53,000,000
Belgium	40,000,000
Great Britain	23,000,000
Austria	21,000,000

\* Plus 100,000,000 ounces privately held.

Perhaps more importantly one should compare the notable increases in these European gold stocks from 1971, when the U.S. went off gold, to 1978:

<b>Country</b>	<b>Increase</b>
West Germany	16%
France	15%
Italy	15%
Switzerland	14%
Netherlands	14%
Belgium	10%
Great Britain	15%
Austria	15%

Why not melt the large treasury stock of gold alloy and recast into good delivery bars? To a very limited extent, the treasury has done just this. Comparison of the U.S. Bureau of the Mint inventory of gold bars between November 1973 and November 1977 shows that the mint has re-melted its stock of "Hershey bars" (i.e., end-of-melt pourings) of good delivery fineness into good delivery weights. In the earlier 1973 inventory list, the mint showed numerous bars with weights less than 400 ounces (i.e., 5-, 10-, 15-, 20-, 25-, 30-, 50-, and 250-ounce bars) not acceptable in the international market. By 1977 many of these bars had been re-melted. The 1977 inventory discloses no bars with weights of

15, 20, 30, and 250 ounces, a marked reduction in bars with weights of 5, 10, 25, and 50 ounces, and an increase of 1,665 bars of 400 ounces good delivery weight. The total inventory of good delivery gold is a little less - a reduction of 144,175 ounces to 48,333,145 ounces (compared to 48,477,320 ounces in 1973). A significant change is 280 additional bars of 1,000 ounce weight.

**TOTAL NUMBER OF BARS**

Weight of Single Bar	November 1973	November 1977	Change (Minus)
5	530	490	(40)
10	41,885	647	(41,238)
15	18	647	(18)
20	13	0	(13)
25	5,694	923	(4,771)
30	38	0	(38)
50	7,965	87	(7,878)
250	2,131	0	(2,131)
400	118,377	120,042	1,665
1000	-	280	280
Total	139,651	122,469	(17,182)

\* Source: U.S. Bureau of the Mint.

The question remains, what can the mint do with the coin melt bars? Considering that the U.S. has a total gold refining capacity of about 2 million ounces per year, it would take seventy-five years to convert the 150 million or so ounces of coin melt. Although up-to-date statistics on world gold refining capacity do not exist, it would surely take many years to refine 150 million ounces of gold. Moreover, the treasury has protested about the unacceptable work burden of just counting the bars for a complete physical inventory. Finally, a re-melt program would raise some awkward public questions, such as what happened to the original \$24 billion of the U.S. gold stocks?

Of course, the United States could always revalue its good delivery gold at the market price giving us 48,333,145 ounces times \$176.00 (7 February 1978) equals \$8,506,633,520. But, this is an impossible approach for Trilaterals, as it would mean abandoning the "gold is

dead" theme. It is critical for the U.S. Treasury to maintain the statistical fiction of \$11.5 billion of good delivery bullion in reserve because when the time comes to sell U.S. gold against a rising gold price, the treasury wants to create the picture of a vast supply overhang crashing down into the market place. This supply overhang simply does not exist: \$2 billion of good delivery gold of .995 fineness is far, far less than is needed, even for a bare minimum strategic reserve.

Now you see why in March 1965 Congress removed the requirement that Federal Reserve Banks keep a 25 percent reserve in gold certificates against members' deposits, and why on 18 March 1968, they removed the 35 percent reserve requirement against Federal Reserve notes; and why on 15 August 1973 the U.S. closed the gold window and suspended convertibility. And remember this removal of the gold cover was done over the vehement protest of organizations such as the Independent Bankers Association of America, which warned:

*The lesson of history clearly reminds us that no nation has been able to survive the deliberate removal of the gold backing from its currency. The likelihood is that if this universally recognized basis were eliminated, gold would rapidly flow out of this country.*

*The Association fears that depriving the United States currency of its gold backing would do irreparable harm to the nation's economy in the years ahead.*

Will Trilaterals seize American gold?

On April 5, 1933, Franklin D. Roosevelt, who had entered the White House only a few days before, issued an executive order requiring American citizens to surrender gold coins, gold bullion, and gold certificates to the nearest Federal Reserve Bank. The treasury offered to pay any cost of transportation, and it is interesting to note the gold was ordered to the nearest Federal Reserve Bank, a private organization, not to the nearest United States mint or depository.

Later in 1933, the Federal Reserve System turned over the surrendered gold to United States mints. In exchange, the Fed received Series 1934 gold certificates each with a nominal value of \$100,000, and issued only to the Federal Reserve System by the U.S. Treasury. Most appropriately, these non-circulating notes bear the face of Woodrow Wilson, who signed the Federal Reserve Act into law a few days before Christmas in 1913.

Series 1934 gold certificates are in effect a claim on seized citizens' gold by a private money monopoly which we know as the Federal Reserve System. The certificates bear the following statement on the obverse:

*"This is to certify that there is on deposit in the Treasury of the United States one hundred thousand dollars in gold payable to bearer on demand as authorized by law."*

This seizure precedent must be viewed in light of a highly significant statistic: how much of the circulating gold coin was surrendered in response to the executive order? Only 49 percent of gold coins in circulation were actually surrendered, the balance of the \$287 million of gold coins were kept under mattresses and buried in backyards. This unaccounted-for balance has been written off, or as Milton Friedman puts it, "the \$287 million was retained illegally in private hands."

For a year the federal government huffed and puffed and threatened to sue these Americans who had decided to keep their own coins. Only one lawsuit was ever filed and that one objection was by an angry citizen against the federal government to protest seizure of his gold. The seized gold coins, Double Eagles and Liberty's, irreplaceable segments of America's artistic heritage, were melted down by the mint to plain gold alloy bars and today form part of the bulk of our gold reserves.

Gold owners of 1978 are a different breed from those of 1933. There is no likelihood that 49 percent, 15 percent, or even 5 percent of the citizenry would turn over 1978 gold holdings, and this is evidenced by the rapidly growing markets for concealment devices, (safes and vaults).

Will Trilaterals ban gold imports?

A Trilateral ban on gold imports is much more likely than another attempted seizure of citizens' gold. The excuse for the ban could be a balance of payments crisis, an energy crisis, or one of several other created crisis scenarios: the real unstated reason will be elitist fear of a mass dumping of nonconvertible paper dollars into gold. Thus the timing of any future gold ban is much more likely to be determined by a monetary crisis than by an energy or balance of payments crisis.

A gold import ban would of course generate a temporary premium on gold bullion and coins, as was the case in France and England. However, if we follow historical precedent, the premium will decline as

new gold supplies are smuggled across the Mexican and Canadian borders and lengthy shorelines, all relatively unguarded.

A ban on gold imports will be required at some point to fulfill Trilateral monetary objectives, and the risk of public alienation will be weighed against the long-run objectives. Historically speaking, the Trilaterals will find that gold bans serve only to create more anti-Establishment groups.

## **ENDNOTES: CHAPTER EIGHT**

1. "Towards a Renovated World Monetary system," Triangle Paper No.1, p.30.
2. Jacques Rueff, *The Monetary Sin of the West* (New York: Macmillan Co., 1972), p. 72.
3. "Removal of Gold Cover," (Statement to Congress, 1978), p. 171.
4. "Looking Forward," *Dialogue* (Spring 1976), p. 3.
5. See for example, *The Economist*. (London), 4 - 10 February 1978, p. 113/4.
6. Today these certificates are recorded on the Federal Reserve "Statement of Condition" as assets. (See, for example, FRS H. 4) (a) 19 January 1978, p. 2. Gold Certificate Account \$11.719 million dollars.

## CHAPTER NINE

### TRILATERAL PAPER MONEY SCHEMES

Trilaterals by their own words are interested in political power: all objectives are subordinate to the political power needed to order the world as the Trilateralists see fit. So you will not find rational consideration of alternatives, or the weighing of options in Trilateral dogma. You can, however, expect an irrational drive, come what may, to control the world in the name of globalism and New World Order.

Therefore, you must hold a key fundamental proposition in mind: Trilaterals are not interested in what monetary system works best, or most equitably, or whether gold is a more effective monetary device than paper, or what monetary system will support a higher standard of living for the world's poor. The overriding drive for Trilaterals is to manage the world economy, manage being a euphemism for control. This control is exercised through so called coordination of macroeconomic policy, in spite of the dismal results from attempted macroeconomic direction. It is argued that the prime *desideratum* for this control device is to keep world peace. Nowhere is there any recognition of the historical fact that such control has always led to conflict: that denying national and ethnic independence is a sure road to strife and bloodshed.

Triangle Paper 14, *Towards a Renovated International System*, concludes that the 1944 Bretton Woods system has already "come under increasing strain," and events have forced traumatic changes, that is, the periodic assault on the dollar and floating exchange rates. The current Trilateral objective is to build an international system, a world order based on cooperation and focusing on two aspects which require such *cooperation*:

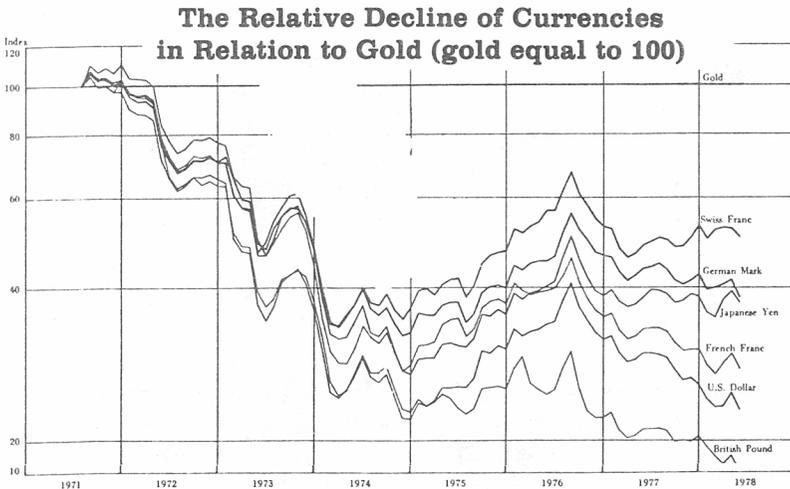
- International lending, and
- The creation of international reserves.

The Trilateral proposal is to involve five to ten leading *core countries* in establishing the new system. The rest of the world will have to go along as best it can. Some ideas to this end have already been implemented: for example, a new, man-made artificial international money, the Special Drawing Rights (SDRS) has been created for central banks. As the SDR is introduced, gold will (supposedly) be phased out of the international reserve system.

The task ahead for the Trilateral Commission world managers is to integrate these ideas into the world monetary system and make them

work. The immediate and most compelling task is to operate the floating rate system to dampen erratic movements in exchange rates, which are, of course, damaging to international trade. Such erratic movements do not occur in fixed rates tied to gold. However, gold moves the world away from the "cooperative" international arrangements needed by Trilaterals, and gold, therefore, is a bigger problem than floating rate disorder. Following this is the task of world reserve management. The Trilaterals want "wider cooperation since the key to world reserve management is restraint in the additions to central bank holdings of gold and of course currencies such as the U.S. Dollar, the German Mark, the British Pound and the French Franc." <sup>1</sup>

The sinking dollar is also a problem, and an unforeseen one, particularly as it inevitably leads to lesser use of dollars as a world reserve unit. Trilaterals with their vague views on gold were not able to foresee that the 1971 suspension of gold convertibility would be a millstone around the neck of the dollar and "international cooperation." The following diagram illustrates far better than words the decline in value of the fiat dollar in relation to both gold and currencies tied to gold and thus the decline in the ability of Trilaterals to create a workable fiat reserve dollar world system.



Source: Adapted from Gold Standard Corporation  
(1127 West 41st Street, Kansas City, MO 64111)  
News Briefs, June 1978.

The out-of-date views on gold held by the U.S. Treasury, under Trilateral control, are well exemplified by a recent letter from Gene E. Godley, assistant secretary for legislative affairs at the treasury to

Congressman J. Kenneth Robinson - a letter which incidentally illustrates clearly why the treasury has been able to lose billions of dollars for the U.S. taxpayer.

*There is, moreover, a high degree of uncertainty about the usefulness of gold as money. Its monetary role has greatly diminished in recent years, and its market price has varied widely. Thus, our gold stocks no longer represent an assured source of financing for our imports.*

The U.S. Treasury and Trilaterals would do well to ponder the above chart, and the nonsense it makes of official anti-gold statements. Using 1971 as a base of 100, all fiat currencies have declined in value compared to gold, and the U.S. dollar has declined the most (except for the pound sterling). The Swiss franc and other currencies tied to gold have declined least. The treasury, under Trilateralist direction, has assumed facts directly contrary to the chart.

Trilaterals do recognize that as long as countries build reserves with national currencies and gold, then the SDR and global fiat systems will take second place. The IMF is the vehicle to achieve the twin objectives, and the IMF is supposed to evolve into a "central bank for national central banks." At the moment, the IMF does not have the reserve resources for this: the Trilaterals propose to artificially create the necessary reserves out of thin air. The IMF is also supposedly the forum for "coordination of macroeconomic policies."

How are our Trilateral friends faring with their plans? To answer this, we have to go back to Bretton Woods and the Keynes-White schemes for Bancor and Unitas. After we identify the differences in these schemes and why Bretton Woods failed, we can assess the road ahead for the Trilaterals.

### **JOHN MAYNARD KEYNES AND HARRY DEXTER WHITE IN 1944**

Keynes was not the originator of the 1944 Bancor scheme, nor are the Trilaterals the originators of the 1978 Bancor scheme, their global monetary unit. In 1892 a German economist, Julius Wolf, came up with the idea of an international gold reserve deposited in a neutral country with international bank notes issued on the basis of this gold reserve - very much the Keynesian concept reflected in Bretton Woods and the IMF. The major differences between 1978 Trilateral plans and the Anglo-American Keynes-White proposals of 1944 are these:

## Trilateral Paper Money Schemes

- Keynes wanted a "consciousness of consent" from the general public; Keynes argued the arrangements would not succeed if hatched in secret.
- The system was to be linked to gold.

Trilaterals have *no* "consciousness of consent," and they have abandoned gold: these are critical differences.

The principal objective in 1944 was much narrower than current proposals: the system was to be one of multilateral clearing, a universal currency valid for trade transactions throughout the world. According to Keynes:

*It is not necessary in order to attain these ends that we should dispossess gold from its traditional use. It is enough to supplement and regulate the total supply of gold and of the new money taken together. The new money must not be freely convertible into gold, for that would require that gold reserves should be held against it, and we should be back where we were, but there is no reason why the new money should not be purchasable for gold."*<sup>2</sup>

When it came to christening this new money, Keynes said, "What shall we call the new money? Bancor? Unitas? Both of them in my opinion are bad names, but we racked our brains without success to find a better." Even "Bezant" was proposed, interestingly the name of the last international coin (a gold coin) that circulated throughout the then known world for eight hundred years because it was a *gold* coin and never debased.

Actually the two proposals, Bancor (British) and Unitas (United States), had different features. The adopted American plan, Unitas, deposited part of the U.S. gold reserves with the IMF together with a specific amount of domestic currency but created no international currency. By contrast, the Keynesian plan, Bancor, provided an international currency with overdraft facilities at the clearing union. In other words, today the Trilaterals have taken us back to the Keynesian Bancor plan rejected in 1944.

A comparison of the two monetary schemes clarifies their major differences:

**Keynes Bancor Scheme (not adopted in 1944)**

Universal money – Bancor

**Trilateral-modified Bancor scheme of 1978**

Universal money – SDR's  
(Special Drawing Rights)

## Trilateral Paper Money Schemes

Gold accepted as a reserve	Gold not accepted as reserve
No gold convertibility	No gold convertibility
National currencies not held as reserves	National currencies not held as reserves
Public approval necessary	Public approval not necessary

Bancor was not adopted in 1944. It's now a matter of history that the related Harry Dexter White Unitas plan which was adopted led the U.S. into bankruptcy: the dollar weaknesses of today are directly traceable to the Bretton Woods Unitas plan.

Today's Trilaterals are political animals, with New World Order objectives, not interested in orderly world trade but in a specific future world structure under their control. The question is not to design a workable system to facilitate trade and improve human welfare, but to design a system that will enhance and preserve power for the Trilaterals. The Trilateral answer is to reinvent the system not used in 1944, the Keynesian Bancor, but modified this time as a universal currency divorced completely from gold and national currencies.

The extent of insider willingness to disregard, and even distort, widely held pro-gold views of others is exemplified by an extraordinary statement in Robert Solomon's book, which is aptly subtitled *An Insider's View*. This is Solomon's interpretation of the motivation of gold oriented economists:

*Those who are worshipful of gold (gold bugs or, more politely, chrysophilites) are usually motivated by one or more of these concerns: particular economic theories now held by a small minority of economists, distrust of government, international political objectives (there is discernible among non-Americans a correlation, far from complete though it is, between attachment to gold and anti-Americanism), and, last but not least, hope of personal pecuniary gain.*<sup>3</sup>

Each of Solomon's so-called motivations is in error. It may be that a majority of American economists dislike gold, but certainly not a majority in the world at large. Anti-goldism is an American preoccupation. It is not distrust of government per se that motivates gold holding but distrust of "insiders" who manipulate government for their own ends. Gold holding is not related to anti-Americanism, but it may be related to anti-imperialism, a different aspect altogether.

Neither is gold holding related to pecuniary gain: it is related to protection of wealth from marauding insiders.

## COOPERATION, COORDINATION OR PIGHEADEDNESS

Trilaterals are failing to achieve the wished-for coordination of macroeconomic policies among the core countries. In early February 1978 these core country finance ministers, vital to the success of the revived and modified Bancor, met in Europe - a supposedly secret meeting that became public knowledge. There is no concealing the cold reception for the Trilateral scheme from Europeans. U.S. Secretary of the Treasury **Blumenthal** tried to arm-twist Germany into a "locomotive" role; that is, Germany should reflate, spur its economy in good Keynesian fashion, and hopefully, pull lagging economies onto a higher plane of economic activity. This is presumably the "coordination of macroeconomic policies" planned. The Germans welcomed the Keynesian locomotive no more in February 1978 than in previous years. German Economics Minister **Count Otto Lambsdorff** commented, "I am surprised by American stubbornness," and Chancellor Helmut Schmidt indicated zero chance of a stimulative (i.e., inflationary) German policy.

This rather crude Trilateral attempt to strong-arm Europe into reflation can be compared to the publicly announced method of achieving cooperation through consultation. To quote Robert Solomon again:

*Just as there is a need in each country for economic policies aimed at high employment and price stability, there is a need, at the international level, for a similar effort to make the policies of individual countries compatible with the wellbeing of the world economy. Since there exists no international authority that can directly perform this function, it can be done only by means of consultation and cooperation among representatives of independent nations meeting together in established international form.*<sup>4</sup>

This European episode and the later creation of the European Currency Unit (ECU) exemplifies the Trilateral weakness in historical precedent. Why did the Germans refuse to go along with Keynesian demand stimulation? Because two factors are locked into the German psyche and ignored by American planners. First, the unparalleled rise of the German economy from the ashes of 1946 was due to plain old laissez faire free enterprise, not artificial Keynesian locomotives. Second, Germany has had two recent devastating price inflations (1923

and 1946), and both times the Mark went to zero. Germans *know* the consequences of inflation and Keynesian-type stimulation.

**W. Michael Blumenthal** was born in Germany and lived in Shanghai until 1947. He must have *some* remembrances of the postwar Chinese currency inflation and the 1946 collapse of the mark. Unfortunately, **Blumenthal** was not in Germany during the years of German economic revival.

In sum, a combination of factors - German refusal to adopt Keynesian stimulation, the French political scene, and the collapse in the leading indicators (signaling a depression in 1979) - has reduced international cooperation and coordination.

One can perceive in the background a central reason why the Trilaterals, essentially the big New York banking powers, *must* move ahead with Bancor...why they *must* develop the so-called Witteveen facility...why they *must* create elastic international reserves, to be expanded at the push of a computer key.

The central unstated propellant for global fiat money is that the international monetary system is on a precarious merry-go-round: borrow - generate a deficit - be unable to repay - reschedule - borrow some more. The world debt balloon *must be kept inflated*. If the balloon goes bust, so do the New York banks (remember Chase receives 78 percent of its earnings from abroad). If one of the world players decides he's had enough, if a New York bank says no to Zaire, if Turkey or anyone of a dozen other LDCs default, the whole pack of monetary cards will come tumbling down. Trilaterals push for an international monetary system based on Bancor-created money simply because their banker necks are already in the wringer; the gold solution is no longer available because the U.S. long ago shipped out its good delivery gold.

At this stage, Keynesian dogma is useless. Keynes left no guidance to his followers for the contemporary world mess. Although he was personally aware of the role of gold, he did not anticipate that the greed of his followers might exceed their good sense.

## **INTERNATIONAL BANKERS AND BANCOR**

The benefits of Bancor will accrue to international bankers more than to anyone else. The interlock between New York international bankers, the Trilateral Commission, and thus, Trilateral proposals in Bancor can be traced precisely.

The earnings that major banks receive from overseas is a matter of public record and is a measure of the division between their domestic

interests in the United States and a global economy. The degree of domestic control over the economy by international banks has been identified in a report published by the late Senator Lee Metcalf, "Voting Rights in Major Corporations."<sup>5</sup> Also a matter of public record are the names of international bankers who are Trilateral Commissioners. When we integrate these three statistics, (a) source of bank earnings, (b) control of domestic companies, and (c) Trilateral membership, we identify a highly significant interlock between international banks and the Trilateral push for a global economy.

Table 9-1 ranks twelve international banks in order of their 1976 earnings from overseas; that is the bank with the highest percentage of its earnings from overseas is ranked Number 1, and the bank with the least percentage from overseas is ranked Number 12 (columns 1 and 2). This percentage is compared with the equivalent 1970 figures to demonstrate that foreign earnings have ballooned over the past five years or so (columns 3 and 4). Column 5 is the Metcalf Index of domestic control by these same bankers, defined as the number of the 122 companies examined by a congressional committee in which the bank is among the top five shareholders. Column 6 lists Trilateral commissioners who are also directors of these banks.

Chase Manhattan is the bank with the highest percentage of earnings from abroad: a remarkable 78 percent compared to 22 percent in 1970. In brief, **David Rockefeller's** international merchandising has made Chase a global bank, not an American bank, and we might call David a de facto world citizen, not an American citizen. At the same time, Chase has a very low rating on the Metcalf Index. The bank is among the largest five stockholders in only eight of the 122 companies studied by the sub committee (compared to Citibank's 25 and J. P. Morgan's 56.)

No fewer than six Chase Manhattan directors (**Kissinger** is on the Chase International Advisory Board) are represented on the Trilateral Commission. In sum, Chase is heavily, almost totally, oriented outside the United States. Its pecuniary interest in promoting a New World Order is slightly more than obvious.

Contrast Chase to J.P. Morgan where 53 percent of income is from overseas (up from 25 percent in 1970) with only one Trilateral representative. Banks like Charter New York (formerly Irving Trust) and Chemical Bank do not appear on the Metcalf Index at all and have no Trilateral representation, that is, they are not apparently involved in creating a New World Order.

## Trilateral Paper Money Schemes

This pattern is dramatized if we rearrange the data in table 9-1 with highest Trilateral representation first.

TABLE 9-1

### INTERNATIONAL BANKS AND THE TRILATERAL COMMISSION

Rank in 1976 Foreign Earnings	International Banks	Percent of Earnings from International Operations		Metcalf Index	Number of Trilateral Commissioners as Directors
		1990	1976		
1	Chase Manhattan	22	78	8	(6) <b>Rockefeller, Coleman, Hewitt, Haggarty, Jamieson, Kissinger</b>
2	Citicorp	40	72	25	0
3	First National Bank of Boston	8	65	10	0
4	Banker's Trust	14	64	11	0
5	Charter New York	12	58	-	0
6	Manufacturers Hanover	13	56	12	(1) <b>Whitman</b>
7	J.P. Morgan	25	53	56	(1) <b>Austin</b>
8	Chemical Bank	10	44	-	0
9	Bank of America	15	40	15	(2) <b>Clausen, Wood</b>
10	Continental Illinois	0	23	8	(3) <b>Hewitt, Perkins, Wood</b>
11	First Chicago	2	17	11	(3) <b>Ingersoll, Morgan, Peterson</b>
12	Wells Fargo	9	12	-	(1) <b>Arbuckle</b>

### BANKS WITH TRILATERAL REPRESENTATION

In a few words: the Trilateral Commission is dominated by a very few international banks, essentially Chase Manhattan, and is an institution focused outside the United States. At the same time, the Trilateral Commission has taken over the United States executive branch. We have *not* been taken over by communists or Russians or Martians but by a group which wants to "revise" the Constitution (to organize more political power) but is without majority financial and economic ties to the United States.

## A REALISTIC VIEW OF THE MONETARY WORLD

A rational international monetary system now evolving could brush the IMF and the Trilateral fiat "coordinated" monetary arrangements into the dust. Whatever foreign finance ministers may say to **W. Michael Blumenthal** face to face, a new monetary system is slowly emerging with its roots in gold, fixed exchange rates, and rejection of Keynesian demand stimulation techniques.

Pointers to this hard money, gold-based system include:

- Jacques Rueff, de Gaulle's chief financial advisor, author of *The Monetary Sin of the West*, unabashedly gold oriented, was advising French and Japanese governments, prior to his death in 1978.
- The European attitude to American financial policy is noticeably hardening: witness

TABLE 9-2

### BANKS WITH TRILATERAL REPRESENTATION

Name of Banks	Percent of Earnings from International Operations, 1976	Metcalf Index	Number of Trilateral Commissioners as Directors
Chase Manhattan	78	8	6
Continental Illinois	23	8	3
First Chicago	17	11	3
Bank of America	40	15	2
Manufacturers Hanover	56	12	1
J.P. Morgan	53	56	1
Wells Fargo	12	-	1
<b>BANKS WITH TRILATERAL REPRESENTATION</b>			
Citicorp	72	25	0
First National Bank of Boston	65	10	0
Banker's Trust	64	11	0
Charter New York	58	-	0
Chemical Bank	44	-	0

**Blumenthal's** February trip to Paris brought hostile European reaction, and more importantly, the creation of the European Currency Unit (ECU)

- Japanese citizens may now hold gold deposits outside Japan, and there are internal efforts to develop the use of gold. Soviets are interested in a gold-based international monetary system.
- Arabs are skeptical about exchanging scarce crude oil for ever-depreciating paper dollars and are searching for a reliable monetary medium.
- South Africa has awakened to U.S. imperial designs in Africa ("strangling with finesse" as Prime Minister Vorster phrases it).
- At home billions more are scheduled for boondoggles (Humphrey-Hawkins), which will backfire and push even more Americans into the hard money camp.

Project the above facts to their logical conclusions and we conclude:

- Floating rates will be rejected as too costly. Contrast this to the Trilateral proposal "learning to live with floating rates." Fixed rates will return at some point.
- Reintroduction of gold into the world system will pull the rug from under Trilateral international monetary arrangements based on Bancor.<sup>6</sup>
- If the United States, under Trilateral guidance, cannot sell the core countries on its international monetary arrangements, it will never sell the other hundred or so countries in the world.
- Unless the U.S. gets its monetary house in order, it will notably lose world prestige and influence; it will skirt revolution at home and endure major social consequences.

## **ENDNOTES: CHAPTER NINE**

1. Motoo Kaji. Richard N. Cooper. Claudia Segre. "Towards a Renovated World Monetary System," Trilateral Commission TaskForce Report No.1 (New York. 1973). p. 19.

2. John Maynard Keynes. *Essays in Persuasion* (London: Hart-Davis. 1952). p. 209.

3. Robert Soloman. *The International Monetary System, 1945-1976: An Insider's View* (New York: Harper & Row. 1977), p. 333.

## Trilateral Paper Money Schemes

4. Ibid.. p. 336.
5. Referred to as the Metcalf Index.
6. This was written in mid-1978, before the gold-based ECU was announced.

## CHAPTER TEN

### THE COMING FINANCIAL PANIC

The repeated monetary crises that have plagued the United States since the early 1960s have not been solved. Washington and New York have merely applied temporary propaganda palliatives. No effort has been applied to the fundamental dilemma. To a decade of mismanagement we can now add Trilateralist ambitions to rule a world economy in their own image. Consequently, the day of reckoning will be all the more costly.

The coming financial panic will be a logical consequence of these repeated financial crises, themselves symptoms of a deep malaise, the politization of economic activities.

The late Jacques Rueff, that penetrating French financial expert, once commented that the American financial problem "was the outcome of an unbelievable collective mistake which, when people become aware of it, will be viewed by history as an object of astonishment and scandal." <sup>1</sup>

The "unbelievable collective mistake" made by the New York-Washington elite, now continued by Trilateral ideology, is the replacement of a free market system by a fiat money managed system. We suggest that as ordinary American citizens react and become aware of what Rueff called "an object of astonishment and scandal," a financial panic is likely to be fomented. The *realizers* will hasten to protect their threatened assets, and the rush to the exits will be awe inspiring.

*The realizers*, a term coined back in the first decades of the Woodrow Wilson administration when *elastic* currency was being debated, are those investors who understand the hollow character of a politicized monetary system. Their key attribute is an ability to think beyond and never move with the herd: the herd instinct is suicidal. When gold markets are quiet, the realizes is quietly transferring assets from paper to gold; in fact, many have been doing just that for a decade. When gold markets are hectic the realizer may lighten up, knowing that all markets react. But when the day of panic arrives, the realizer's only problem will be to protect his store of wealth.

The responsibility for the "collective mistake," seen only by the relatively few realizers lies heavily with members of the Trilateralist elite. Chapter eight concluded with three observations:

- Fixed exchange rates tied to gold will be reintroduced, contrary to the Trilateral goal to "learn to live with" floating exchange rates by international monetary management.
- Reintroduction of gold into the world money arena will pull the rug from under Trilateral goldless IMF proposals and Bancor, and the European Currency Unit (ECU) is a first step in this direction.
- Unless the U.S. gets its financial house in order, we shall witness social upheavals and monetary panic exceeding anything in American history.

We can now (November 1978) see the outline of these observations reflected in world events:

- The U.S. has embarked on its fiat money, anti-gold crusade, stifling its Western friends and subsidizing its Marxist enemies.
- U.S. Establishment-oriented economists predict that the shocks of 1973 to 1975 can never reoccur and that *this* time their forecasts will be right. These predictions were broadcast even while a minor flight from the dollar demonstrated their inaccuracy.
- By contrast, major European governments, led by West Germany and France, are moving with extraordinary and unparalleled rapidity to protect Europe from the coming financial holocaust.

While American representatives are jetting around the globe muttering clichés about "management of interdependence," "intensive interactions," "New World Order," and similar nonentities, the real monetary economic world is disintegrating around our ears. And now Europe has said to the United States, "We have watched you play the fool long enough; our patience is exhausted."

### **EUROPE MOVES TO PROTECT ITSELF FROM A COLLAPSING DOLLAR**

The new European Currency Unit (ECU) introduced in mid-1978 by Chancellor Helmut Schmidt and President Valéry Giscard d'Estaing as a European Community unit of account is a clear warning to the U.S. that there is financial chaos ahead. If the U.S. will not act responsibly with the dollar, then Europe is prepared to go it alone. Neither Giscard nor Schmidt, the joint architects of ECU are Trilaterals, and it is

worthy of note that both Schmidt and Giscard are former finance ministers of their respective countries. Furthermore, there is a report that European bankers had muffled, but still audible, reservations about the Giscard-Schmidt plan. European Trilaterals include powerful European bankers: **Baron Leon Lambert**, **Alwin Munchmeyer** (German Banking Federation), **Baron Edmond de Rothschild**, **Anthony Tuke** (Barclays International), and **Luc Wauters** (Kredietbank, Brussels.) Also, prominent European Trilaterals **Raymond Barre** (prime minister of France) and **Count Otto Lambsdorff** (minister of economics, Germany) are not prominent in the ECU plan: the ECU plan appears to be a non-Trilateralist, Schmidt-Giscard creation.

The ECU system, scheduled for operation by January 1979, will link major European currencies to the German D-Mark. ECU is more than a broader "snake" and currency defense scheme: its members are required to place 20 percent of their dollars and *their gold* into a pool along with an equal amount of national currencies. *The ECU system is gold based.* It reinforces the use of *gold as money.* It reintroduces *the monetary role of gold.*

The object? To defend European currencies against speculation.

What kind of speculation? Obviously a future flight from fiat dollars.

ECU places the United States and the European Community in opposite camps, and two competitive world reserve assets will ultimately emerge: a European gold-based currency (the forthcoming ECU is only for interbank transfers) and the U.S. dollar based on the printing press and Washington elitist hot air. In fact, a European currency, tentatively called EUROPA, has been under study for some time at European Economic Community Headquarters in Brussels, and the gold-backed Europa could well be the world's replacement for the declining fiat dollar and the almost worthless fiat ruble.

## NATURE OF THE COMING FINANCIAL PANIC

The nature and scope of the forthcoming financial panic can be delineated from historical precedent but not – as yet - the precise timing of the panic.

Timing of monetary panics usually depends on random events which trigger underlying distortions, and these events are not always in themselves major events. The 1907 financial panic, by way of example, was triggered by failure of the third largest trust company, Knickerbocker Trust. The August 1978 run up in the gold price from \$180 to \$215 in U.S. currency was a minor flight from the dollar

triggered by the U.S. refusal to face its balance of payments deficits and domestic price inflation. It was not the full-scale flight from the dollar which has yet to come.

The United States has major structural defects which guarantee an ultimate monetary panic. These defects are either not recognized by the elitists running the U.S. or they do not want to recognize them. Let's examine these defects.

### **THE FIRST INGREDIENT FOR FINANCIAL PANIC: DEFICITS**

One ingredient making for ultimate financial panic is the manner in which Washington finances federal budget deficits. Three basic deficit financing methods are available to the federal government: (a) raising taxes. (b) borrowing the deficit and thus channeling funds from productive private investment to largely unproductive public boondoggles. or (c) creating more dollars. thus reducing the value of all existing dollars (Le.. price inflation). Although the preferred financing method is (c) when stealing from the value of the dollar becomes a visible process, dollar holders will dump dollars for more stable wealth-holding vehicles.

The cumulative U.S. budget deficit from 1962 to 1977, excluding off-budget accounts is \$292.219.242.817 almost 300 billion dollars, generated under *both* political parties, Democrats and Republicans - the only two political parties subsidized by law from public funds.

<b>Budget Year</b>	<b>Budget Deficit</b>
1962	\$ 7,136,988,565
1963	4,750,889,740
1964	5,921,855,327
1965	1,596,321,595
1966	3,795,959,063
1967	8,701,851,561
1968	25,161,232,923
1969	3,236,294,206
1970	2,844,534,843
1971	23,033,168,126
1972	23,372,529,351

## The Coming Financial Panic

1973	14,848,573,651
1974	4,687,858,607
1975	45,107,821,495
1976	66,477,795,275
1977	45,035,045,016
Est. 1978	51,100,000,000
Est. 1980	30,000,000,000

There is not a whit of practical difference between Republicans and Democrats in the basic question of fiscal probity. Rhetoric doesn't reduce deficits. Periodically, Congress acts out a charade extending the "temporary debt ceiling." As of 31 March 1978, the federal debt was \$798 billion, with a "permanent" ceiling of \$398 billion. The totally dishonest practice of "temporary ceilings" allows Congress to avoid facing the issue of the federal deficit. The academic world, for its part, explains the almost \$800 billion debt with the cliché that "we owe it to ourselves," although precisely how this vacuous expression bears on the topic of fiscal prudence is unknown.

The crux of the federal deficit is that sooner or later, voluntarily or involuntarily, this debt monument has to be repaid or the dollar depreciated to zero value; that is a fraud must be perpetrated on the debt holders. The former process is politically impossible.

### **THE SECOND INGREDIENT FOR FINANCIAL PANIC: DEBT**

Another guarantee of ultimate financial panic is a mountain of state, city, and unfunded private debt - a paper mountain almost staggering comprehension. The current surplus position of non-federal institutions is a deception. (As a whole, state and local governments had a \$29 billion surplus in 1977, for the tenth year running.) Remember that although \$68 billion a year flows from Washington to local governments, Proposition 13-type legislation will reduce the surplus to zero by 1980.

Within this mountain, the really dangerous trigger for panic is New York City debts held by New York banks. The 954 banks holding New York obligations have over 20 percent of their equity capital in New York obligations. *About 70 banks hold more than 50 percent of their capital in New York securities.* While default may not result in total

loss of investment, it is doubtful if the psychological tidal wave unleashed by a New York default could avoid national panic.

*You are probably safe until 1982.* The big New York banks unloaded New York securities onto small holders. This poses a very real question of fraudulent misrepresentation on their part, now under investigation by New York State officials. The state investigation has questioned numerous "small" holders of New York City securities and found they were misled by major New York banks. The following is an extract from the official assembly report:

*The individual investor responses indicate that the majority had never invested in municipal securities before, and 90 percent responded that a factor in their investment was their belief that an investment in City securities was "safe and secure." The survey also found that, at the time they made their investments:*

- 78 percent of the investors believed the City's bookkeeping and accounting practices to be excellent or good; and
- 79 percent of the investors believed that the City was in good or excellent financial condition.

*Additional comments volunteered by a number of these individual investors concerning their experiences with these investments were overwhelmingly negative, and indicated quite clearly that, in their purchase of City securities, they had been "misled." <sup>2</sup>*

The year 1982 is a key date to hold in mind because the statute of limitations on such misrepresentations runs out then. You can be sure Congress will oblige New York City with interim financing until this critical date.

And it will be a miracle if the New York State investigation progresses to the point of indictments.

### **THE THIRD INGREDIENT FOR FINANCIAL PANIC: OVERSEAS DEBT**

Another debt mountain consists of dollar and foreign currency denominated obligations and stateless currencies held overseas in a variety of forms. private and public:

- The giant multinational banks generate an uncontrolled \$400 billion plus market in Eurocurrencies, a global transnational money market outside the control of

governments and central banks. These funds could be used to collapse the dollar either deliberately, by sheer weight of transfers or by simple miscalculation.

- The U.S. Treasury owes more than \$86 billion in dollar denominated Treasury securities to foreign central banks and the Organization of Petroleum Exporting Countries (OPEC).
- More importantly, the U.S. Treasury owes substantial amounts in *Swiss franc* denominated bonds (more below).

### **THE FOURTH INGREDIENT FOR FINANCIAL PANIC: NO GOLD**

*The European Currency Unit will be based on European gold reserves. At this time Europe has about twice the gold reserves of the United States.*

Moreover, the U.S. does not have \$11 billion of good delivery gold as suggested in the establishment financial media. The U.S. gold stock, as we noted in chapter eight, is as follows:

- Forty-eight million ounces of good delivery valued at \$2 billion officially and \$9.6 billion in the market place;
- The balance in coin melt.

Whether this gold belongs in fact to the U.S. Treasury or even exists, has been disputed.

U.S. gold reserves have not been inventoried since 1933. The treasury persists in conducting *audits* (i.e., checks of the vault seals) when only *inventories* (counting, assaying, and weighing) will answer the critics.

The skimpy checks are reportedly due to the cost of inventories. Yet, Washington will, for example, spend \$46 million on a lavish memorial to FDR who seized citizens' gold in 1933 - and \$122 million on a third Senate office building - a fraction of which expenditures would provide the amount needed for an inventory of the U.S. gold stock. If reluctance to *inventory* reserves continues, we may have reason to assume that even the 48 million ounces of good delivery is not there. Furthermore, the U.S. has sufficient other hard money debts that we can state the U.S. is technically "bust."

The fact that 80 percent of U.S. gold reserves is coin melt, not salable on the world market, is not realized even at highest elitist levels. For example, the July 1978 issue of *Foreign Affairs* (published

by the Council on Foreign Relations) has an article by Jahangir Amuzegar, executive director of the IMF and ambassador-at-large for Iran. Amuzegar's article, "OPEC and the Dollar Dilemma," records U.S. gold stocks at 277 million ounces valued at "near \$50 billion." This over-valuation assumes the stock is good delivery. It is not. If OPEC is unaware of the true quality of U.S. gold stocks, the impact of the awakening has yet to be felt.

## THE GOLD ROAD AHEAD

With this massive debt mountain, a fiat (paper) currency and a miniscule stock of good delivery gold, the U.S. is in a precarious position - far more precarious than generally realized. While ECU is a unit of account and does not circulate, ECU is a forerunner of a gold-based European currency which will be a circulating medium; and a European gold-based circulating currency will come within five years.

In brief: By 1984 the United States will have to face squarely a *global contest between a fiat dollar and gold-backed European money*. Fiat money has never won this battle. Fiat money cannot win.

The United States will then be faced with two choices:

- a. Either allow the present fiat dollar to depreciate to zero value, or
- b. Replace the fiat dollar with a gold-backed dollar at a ratio of 10 for 1, or 10,000 for 1.

Quietly, while proclaiming the health of the mighty fiat mini-dollar, Washington has prepared for these eventualities: duplicate dollar currency is already printed and stored away at the Culpepper, Virginia, facility of the Federal Reserve and at Mount Weather in Virginia.

According to Carl Mintz, on the staff of the House Banking Committee, "I believe it's in the billions of dollars, and it's buried in lots of places." This duplicate currency will remain buried, unissued, and virtually unknown until confidence in the present fiat dollar is completely shattered.

Another available option is discussed in the July 1978 newsletter of the Johannesburg Chamber of Mines:

*It has become increasingly obvious now that at this time of widespread currency instability, political and economic uncertainty, spiraling inflationary expectations and increasing protectionism, the struggle to eliminate one of the major monetary reserve assets from the international monetary*

*system, has been a futile exercise. It would make more sense to recognize the advantages of gold and to acknowledge its role as a stabilizer in the system and to concentrate instead on underpinning the dollar to avoid its further depreciation against other major currencies.*

In brief, the Chamber of Mines proposes the U.S. return to gold and abandon its anti-gold crusade.

As holders of fiat dollars grasp the gold versus paper picture, a common picture in monetary history, the flight from the dollar will begin - at first slowly as in early August 1978, then picking up speed, to culminate in panic. Because of media brainwashing, it is unlikely that most American investors will become realizers (i.e., learn the true nature of the con game) until after the dust of monetary panic has finally settled.

In the period immediately ahead, fiat dollars are going to be exchanged by the realizers in increasing quantities, initially for gold and silver, then for gold-based currencies (such as the coming European currency) and in the final phase, *anything* which represents scarce resources.

Will the United States ban imports of gold in the coming struggle in an attempt to force its edict of fiat dollars? One school of thought suggests the treasury will allow gold imports as long as possible, as long as anyone wants to exchange gold for paper dollars. Another school suggests that on the contrary, the treasury will clamp down on gold imports.

The policy of gold imports which is finally adopted may well depend on the time frame in question. Remember, the treasury bureaucrats do not *recognize* gold; they do not *understand* gold. Truly, these people believe that gold is a "barbarous" relic. Absurd as it may seem to you and me, the academics involved in the so-called demonetization of gold have a mindset that gold will have no meaning in the New World Order. While the experts in charge retain this mindset, it is improbable that gold imports will continue freely in the years ahead. The treasury is likely to clamp down on imports, and- this will send the price of gold soaring. However, at some time, pressure of circumstances or politics or new ideas will emerge and then the ban will again be lifted.

### **TREASURY CONFESSES TO STUPIDITY AND SHORTSIGHTEDNESS**

A prime contemporary example of the cost of the treasury mindset to the American taxpayer was revealed earlier this year. On 19 April

1978 Anthony M. Solomon, Trilateral commissioner and under secretary of the treasury for monetary affairs went cap-in-hand before the House Subcommittee on International Trade Investment and Monetary Policy, to confess to what Solomon called "some fairly important developments;" that is, the treasury had lost its shirt gambling in Swiss francs since 1961. In brief, the Treasury Exchange Stabilization Fund has been selling Swiss franc denominated U.S. Treasury notes while the franc moved from 22 cents to over 50 cents. The story goes like this...

Back in the 1960s and early 1970s, the treasury, under the guidance of three Trilateralists, **Robert Roosa**, (deputy under secretary for monetary affairs, **Bruce MacLaury**, (now president of the Trilateral think-tank Brookings Institution), and **Paul A. Volcker**, (Federal Reserve Bank of New York), held to a superstitious notion that the price of gold should be precisely \$35.00 (later \$40.00) per troy ounce, a magic figure which originated over President Roosevelt's breakfast table in the 1930s. To preserve an artificial gold price of \$35.00, the treasury under **Roosa** lost most of the U.S. gold stockpile. The stock went from \$25 billion in 1949 to \$11 billion in 1974. In 1960 gold was moving out' of the U.S. too rapidly even for the treasury, and **Roosa** hit on the idea of issuing non-marketable certificates and treasury notes to foreign, creditors and *denominated in foreign currencies*.

In the past decade the U.S. Treasury with its anti gold mind set has lost the U.S. taxpayer billions of dollars betting these foreign denominated securities against gold and the Swiss franc. As of June 1978, \$901,000,000 is outstanding in securities denominated in Swiss francs and issued by the U.S. Treasury to the Swiss National Bank (the **Roosa** bonds). In fact, new Swiss-franc denominated securities are still being issued as well as redeemed by the U.S. Treasury: the latest known at time of writing being \$75 million issued 9 June 1978, due 29 October 1979 with an interest rate of 7.9 percent, payable in Swiss francs. The position for 1977 is contained in table 101.

In brief, the treasury has gotten itself in debt up to its neck in Swiss francs. Even worse, the total losses to the U.S. taxpayer from treasury speculation in Swiss francs may well total \$1 billion, when the chips are counted. 3

The treasury covers its shame by arguing that this gambling in Swiss francs meant the U.S. was able to retain 36 million ounces of gold. On the other hand, the treasury also tells us that gold is a valueless, barbarous commodity!

Table 10-1

Changes in Public Debt Issues, Fiscal Year 1977  
Foreign Currency Denominated Treasury Notes

Foreign Currency Series Issues of:	Outstanding 30 September 1976	Issues During Year	Redemptions During Year	Transferred to Matured Debt	Outstanding 30 September 1977
5.25%	---	\$ 137,047,123	---	---	\$ 137,047,123
5.60%	---	159,838,997	---	---	159,838,977
5.80%	---	50,319,678	---	---	50,319,678
5.90%	---	49,733,602	---	---	49,733,602
5.95%	---	38,479,754	---	---	38,479,754
6.08%	\$ 63,639,593	---	\$ 63,639,593	---	---
6.10%	127,279,185	359,927,776	26,047,833	---	461,159,129
6.20%	147,999,053	---	---	---	147,999,053
6.35%	73,703,528	---	38,183,756	---	35,519,773
6.39%	170,198,911	---	170,198,911	---	---
6.40%	38,479,754	25,455,837	38,479,754	---	25,455,837
6.50%	32,559,792	---	---	---	32,559,792
6.60%	---	22,495,856	---	---	22,495,856
6.70%	66,599,754	---	---	---	66,599,574
6.75%	29,599,811	---	---	---	29,599,811
6.95%	400,183,519	---	400,183,519	---	---
7.05%	32,559,792	---	---	---	32,559,792
7.15%	38,479,754	---	38,479,754	---	---
7.25%	170,198,911	---	170,198,911	---	---
7.35%	50,319,678	---	50,319,678	---	---
7.70%	28,711,816	---	28,711,816	---	---
7.75%	128,759,176	---	128,759,176	---	---
<b>Total</b>	<b>\$ 1,599,271,845</b>	<b>\$ 843,298,603</b>	<b>\$ 1,153,202,689</b>	<b>---</b>	<b>\$ 1,289,367,748</b>

Source: Report of the Secretary of the Treasury, 1977.

## WHO IS RESPONSIBLE?

Many are responsible for monetary chaos, but Trilaterals in key treasury slots stand out. And one man stands out above all others: Trilateral Commissioner and former under secretary of the treasury, **Robert Roosa**. In August 1967 the business journal Fortune described **Roosa's** handling of that particular year's monetary crises as follows:

*No man has done more than Roosa did in this year at Treasury to try to make the existing monetary system continue to work. The famous "twist" in interest rates, the "Roosa" bonds, the many "swap" and other emergency credit arrangements all stand as monuments to his ingenuity.* <sup>4</sup>

**Roosa's** stopgap measures also stand as monuments to the utter lack of principle and ability among the self-perpetuated elite. Their ingenuity has been to dig a bigger monetary grave for the United States. Ingenuity has been used to stave off the ultimate day of reckoning for another decade and thus make it ultimately worse for the American people.

## THE COMING FINANCIAL PANIC

The coming financial panic will, of course, be a traumatic experience. It will be far deeper than the panic of 1907, when no credit at all was available at any price, and more pervasive than the depression of 1930.

Yet, such a panic is not to be feared by those who are prepared by those we call the realizers. A panic is symptomatic. A panic is the economic system purging itself of excesses. The panic will be deep and more pervasive than any previous monetary crisis because the excesses committed in the name of a "welfare state," "interdependence" and "globalism" have been deeper and more pervasive than in the past.

Panic need be feared only by those dependent on the hand of the state to feed them or keep them in luxury or by those who use the power of the state for personal vested interests. These groups will be losers. The storm can be weathered by those who have taken precautions to protect themselves, by those who are self-sufficient, and certainly by those who do not depend on the politicians' whims and on bureaucratic regulation.

Timing? The leading indicators are flashing the seventh post-war recession. The political manipulators may try to postpone this recession, to convert it into what is called a growth recession; or incoming overseas funds induced by the recent "benign neglect" of the dollar may well give an aura of false prosperity come election time. If left alone, the seventh post-war recession will go deeper than other recessions. Recovery from the sixth recession has been incomplete because the Keynesian demand stimulation locomotive is running down and the economy is strangled by statist intervention. Subsequent recovery will be weaker, the eighth post-war recession, deeper; and the roller coaster is now in a secular down trend.

The final flight from the fiat dollar is not, however, necessarily related to any phase of the economic cycle. Panic can be triggered by a random event which catches public fancy and snowballs as successive waves of investors dump paper dollar-denominated assets. Financial panics always need a trigger event. Some event, usually unforeseen, trips off the cumulative spiral and the subsequent panic to protect wealth before all is lost.

Although a likely trigger for financial panic in 1979-80 is price inflation and a liquidity crisis, the probabilities are against major panic in the next twelve to twenty-four months. While prices are stable or increase smoothly, holders of fiat dollars have no doubt of liquidity,

that is, that dollars can be used to purchase goods and services. In brief, under these conditions dollars are still a store of value.

During periods of price inflation, some holders will seek alternative means of wealth storage. In prolonged periods of price increases or during sudden upward price spurts, contagion sets in; and the relatively few seekers of safe storage vehicles become many. The search for gold, silver, and diamonds becomes contagious. In brief, there is a flight from paper - a flight from fiat money which is now illiquid because it will not command goods and services. *Illiquidity is a sure sign that panic is approaching.*

The monetary die was cast back in the early 1960s by men who (strangely) now occupy a key segment of the Trilateral Commission: **Roosa, MacLaury, Volcker, Parsky, Ball, McCracken, Peterson, Solomon and Rockefeller.**

A flight from paper cannot ultimately be controlled by this Trilateral establishment. Their recourse will be to adopt Hitlerian or Stalinist measures: a Schachtian economy or a Soviet economy - if they can.

### ENDNOTES: CHAPTER TEN

1. Jacques Rueff, *The Monetary Sin of the West* (New York: Macmillan, 1972), p.24.
2. "The Bank and the Municipal Crisis: Public Responsibility and Private Profit," State Assembly of New York Special Report (New York, 15 November 1976).
3. Interested readers are referred to Annual Report for 1977 of Exchange Stabilization Fund (Department of the Treasury).
4. "How Paper Gold Could Work," *Fortune* (August 1967)



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