

# THE SOCIAL CREDITER

## FOR POLITICAL AND ECONOMIC REALISM

Vol. 51. No. 4

SATURDAY, MAY 15, 1971

7p (1s. 5d.) Fortnightly

### Since F.D.R.† Some not so Ancient History

By FRANK A. CAPPEL

(Continued)

Most Americans believe that Eisenhower was preparing to move against Castro and free the island of Cuba from the Communists when the reins passed to John F. Kennedy. What they have not known is that subversives in the State Department and C.I.A. cooperated with Castro, and that Milton Eisenhower himself met with Fidel Castro in the Oriente hills in November 1958. Six weeks later, January 1, 1959, Castro seized Havana, and one week later Eisenhower recognized Castro and his Communists as the legal Government of Cuba.

Eisenhower's support of the Communists during his *Crusade in Europe* (the name of his book, ghostwritten by identified Communist Joseph Barnes,\* and exempted from income tax to permit the General to make a fortune on it) has been the subject of much controversy even to this day. It is most recently criticized in *History Of The Second World War*, by the late Captain Sir Basil Liddell Hart, released in March 1971. The author, a distinguished British military theorist, states that Eisenhower's diversion of gasoline from General George S. Patton's U.S. Third Army cost the Allies the opportunity to win the War in September 1944. He contends that the "missed opportunity" not only cost the Western Allies (not the Communists, please note) a million casualties, but also meant that "millions of men and women died by military action and in concentration camps".

The school of thought which Sir Basil represents holds that not only was victory delayed as a result, but the Soviet Union was enabled to finish the War as master of Berlin and central Germany. This despite the fact that Soviet troops had not even reached the German border at the end of 1944.

By deliberately and unnecessarily delaying the end of the War, Eisenhower created the unhappy division of Germany which still exists today, while giving the Communists time to support Mao Tse-tung by entering the war in the Far East. While many have called such actions "mistakes in judgment", others believe that they indicate a deliberate pro-Soviet bias. A visitor to Eisenhower's office when he was President of Columbia University reported that the only photograph displayed on Eisenhower's desk was an autographed photo of Josef Stalin. Stalin's high regard for Eisenhower, whom he credited for Soviet control of Berlin, is detailed in the recent K.G.B. release of *Krushchev's Memoirs*.

By the time the Kennedy Administration breezed into Washington even the pretense of anti-Communism was considered absurd. Seeking out Communists and pro-Communists in government seemed a hapless task when new ad-

visors and top employees came only from the Left. Even before Kennedy took office, he sent Walt Whitman Rostow on a Mission to Moscow to announce the end of any vestigial American anti-Communism. Rostow was then taken into the Kennedy Administration in spite of the fact that he had in recent years been refused security clearance on three occasions. It was the refusal of the State Department security officer, Otto Otepka, to provide a clearance for Rostow when personally directed to do so by Dean Rusk and Robert F. Kennedy which put into motion the plot to oust Otepka and open the gates to whatever radicals were amenable to the Kennedy mood.

Another blatant security risk who became an important figure in the Kennedy Administration was Adam Yarmolinsky. He even admitted attending meetings of the Young Communist League, explaining to Army investigators: "The Young Communist League believed and I was inclined to believe that a so-called Communist government was a desired end". He raised funds on behalf of the Young Communist League and attended the Communist American Youth Conference. He was even Secretary of the notoriously pro-Communist Fund for the Republic.

Yarmolinsky's job at the Department of Defense was to head a group of arrogant and officious young "whiz kids" who became known as the "Commissars". They proceeded with a carefully scheduled campaign to downgrade and undermine the military, a program which continues to the present. Yarmolinsky was also one of the authors of the bill which authorized the Office of Economic Opportunity, but was prevented from heading the program by outraged Senators.

Other Kennedy choices included Pierre Salinger, the President's press secretary, whose mother reportedly ran a Communist camp on the West Coast. Another was former A.D.A. boss Arthur Schlesinger Jr., who joined the White House staff and was soon arranging for visits to the White House from such persons as Communist Ahmed Ben Bella of Algeria, Communist Josip Broz Tito of Yugoslavia, and Communist Sékou Touré of Guinea. J. Robert Oppenheimer,

(continued on page 2)

\*Barnes has been independently identified under oath as a Communist, on their own knowledge, by Whittaker Chambers, Louis Budenz, General Alexander Barmine, Dr. Karl A. Wittfogel, and Hede Massing.

†From *American Opinion*, March, 1971.

# THE SOCIAL CREDITER

FOR POLITICAL AND ECONOMIC REALISM

This journal expresses and supports the policy of the Social Credit Secretariat, which was founded in 1933 by Clifford Hugh Douglas.

The Social Credit Secretariat is a non-party, non-class organisation neither connected with nor supporting any political party, Social Credit or otherwise.

SUBSCRIPTION RATES: Home and abroad, post free: One year £2.60 (52/-), Six months £1.30 (26/-).

Offices—

Business: 245 Cann Hall Road, Leytonstone, London, E.11. Tel. 01-534 7395  
Editorial: Penrhyn Lodge, Gloucester Gate, London, N.W.1. Tel. 01-387-3893

IN AUSTRALIA—

Business: Box 2318V, G.P.O., Melbourne, Victoria 3001  
Editorial: Box 3266, G.P.O., Sydney, N.S.W. 2001 (Editorial Head Office)

## THE SOCIAL CREDIT SECRETARIAT

Personnel—Chairman: Dr. B. W. Monahan, 4 Torres Street, Red Hill, Canberra, Australia 2603. Deputy Chairman: British Isles: Dr. Basil L. Steele, Penrhyn Lodge, Gloucester Gate, London, N.W.1. Telephone: 01-387 3893. Liaison Officer for Canada: Monsieur Louis Even, Maison Saint-Michel, Rougement, P.Q., General Deputy Chairman and Secretary, H. A. Scoular, Box 3266, G.P.O., Sydney, N.S.W. 2001.

## The Sharpeville Shadow

We may pick up the paper any day, it seems, and read something like this: "Killings on a mass scale are reported to be continuing in East Pakistan . . . at least 2,600 were killed in clashes at Comilla . . . most of the 70,000 population had fled into the countryside." (*Daily Telegraph*, April 3, 1971.) In fact the public, with Ireland on the doorstep, has become hardened to the most gruesome reports of civil wars, massacres and suffering refugees.

Yet a country that has acted sternly to prevent the breakdown of law and order faces almost universal criticism and contempt. The Rev. Colin Davison, at a meeting sponsored by the Defence and Aid Fund in Central Hall, Westminster, chaired by Canon John Collins, warned that "South Africa was in danger of becoming a second Nazi Germany, where millions were exterminated . . . no legal system remained". (*The Church Times*, March 26, 1971.) He spoke "in the face of shouted obscenities from a band of National Front rowdies", yet a warning from Chairman Collins seems to have restored order without any violence. Mr. Jeremy Thorpe, who shared the platform with other notables, recalled how the Archbishop of Canterbury had infuriated South Africans by comparing their country with Russia: nor can the reader feel surprised at their annoyance.

Yet a sober account of the Sharpeville tragedy, by Rudolf Gruber, makes the reader wonder how accurate some of these African reports really are. Mr. Gruber (*Sharpeville*) gives a picture of under 300 White and African policemen confronting some 10,000 Africans behind flimsy wire, about eight feet between them. Many of the police were tired from long hours of duty, not to mention "repeated skirmishes", and a few weeks before nine police had been killed in a Durban ambush. We can imagine the tension and noise, while leadership failed on both sides, for police officers were not interspersed so as to control each constable, and the demonstrators' leaders were detained in the compound. A scuffle, a surge, the gates burst open, and police opened fire. The decisive ingredient was "human error" and the real culprit "the frailty of men under conditions of extreme tension and stress". The critic must ask himself what he would

have done, and his answer "might well be a humble and compassionate silence". It happened on March 21st, 1960.

To redress the balance to some extent, the "Britain and South Africa Forum" points out that the Dean of Johannesburg "was accused of taking part in the activities of unlawful organisations by receiving, safe-keeping or possessing for distribution a quantity of pamphlets prepared by these organisations". The Bishop of Johannesburg has said that the police needed time to complete their investigations. The procedure took place under the Terrorism Act of 1967. The charge sheet stated that sections in these pamphlets giving directions on how to make and operate hand grenades and petrol bombs "had been deleted from the copies attached to the charge sheet". This does not really look like a "purge of the Church" as Mr. Davison suggested.

The same publication corrects errors in a film on South Africa, shown on the BBC in November, 1970, which alleged that half of all black children died before the age of five. The S.A. bureau of statistics has estimated that the Bantu infant mortality rate is 10 per cent. The film says the Bantu's life expectation is 34, U.N. publications gave it as 46. The film suggests that water is not laid on to Soweto (S.W. of Johannesburg) houses; in fact they give priority to water, electricity and roads in building any Bantu township, and water is laid on to Soweto houses. But in the shadow of Sharpeville, accuracy evidently does not matter very much.

—H.S.

## Since F.D.R. (continued from page 1)

who was denied a security clearance because of his Communist affiliations, was also honored at the White House, as were scatologist James Baldwin, radical Linus Pauling, and a long list of Communist Fronters of whom Schlesinger approved.

One of Kennedy's first acts was to remove restrictions for the flow of Communist propaganda into the United States. After all, brother Bobby had reassured the public that there simply was no threat from Communists inside the country. Whatever temporary danger existed was said to be a product of "Soviet imperialism", which the Kennedys considered a useful issue to be cranked up only at election time.

A qualification which might have been a factor in the selection of Dean Acheson for a job about which he knew nothing was the fact that he had been one of Stalin's two paid American lawyers even before the Soviet Union was recognised by the United States. The other lawyer employed by the Soviet Union was Lee Pressman, later identified in sworn testimony as a Communist and member of the Ware espionage cell.

In 1921 Dean Acheson had become a member of the Washington law firm now known as Covington and Burling, which specializes in representing foreign governments. When after less than a year of federal service Mr. Acheson was called a "lightweight" by President Roosevelt, he left the Treasury Department and returned to his law firm. There he remained until 1941, when he was named Assistant Secretary of State. He returned to the firm again in 1947-48 until he was selected Secretary of State, and went back to the firm at the conclusion of the Truman Administration.

No sooner had Acheson entered the State Department in 1941 than he became leader of the pro-Soviet cabal there. What other position could "Stalin's lawyer" have taken? Almost immediately, he was warned by State Department Security that the Hiss brothers, then in obscure positions in the Department, had been alleged to be Communists. Acheson made Alger Hiss his number one confederate; and, ultimately, he made Donald Hiss an associate of his law firm.\*

Acheson's second most valued confederate was John Carter Vincent. By 1943 Vincent had become special assistant to the powerful Acheson confederate, Lauchlin Currie, head of the Foreign Economic Administration, who later under oath was to be identified as a member of a Communist spy ring. By 1944, with the State Department moving toward support of the Chinese Communists, Vincent was chief of the Division of Chinese Affairs, and by 1945 he headed the office of Far Eastern Affairs.

On June 6, 1945, the F.B.I. arrested Acheson's boy, John Service, in the *Amerasia* case. The F.B.I. had recorded, verbatim, a meeting of John Stewart Service in Washington with *Amerasia* publicists Philip Jaffe and Andrew Roth, both identified under oath as Communist agents, in which Service revealed to them what he himself described at the time as "top secrets". In addition, the F.B.I. had seized in the New York office of the pro-Communist magazine, *Amerasia*, some 540 government documents classified as follows: Restricted, 119; Confidential, 208; Strictly Confidential, 59; Secret, 153; and Very Secret, 1.

It was imperative for Acheson to stop prosecution of the *Amerasia* case. Anti-Communist Under Secretary of State Joseph C. Grew was insisting on vigorous prosecution; therefore the Acheson clique had to oust Grew at once. Dean Acheson succeeded Joseph Grew as Under Secretary in August, 1945, and two days later he reinstated Service at the State Department and *promoted* him! And what do you suppose was Service's new job? Ambassador Patrick J. Hurley had ordered Service sent out of China because he was openly supporting the Chinese Reds. The F.B.I. had caught Service spilling secret information to Red agents. So Dean Acheson put John Stewart Service in charge of placing State Department personnel in the Far East so that the Acheson cabal could eliminate anti-Communists and place pro-Communists in strategic positions.

A sellout of China was the objective. On June 3, 1946, Acheson's State Department Coordinating Committee recommended that to promote an effective "Coalition Government" in China the Chinese Communist troops should be trained and armed by American Army Personnel before they were "integrated with the Nationalist forces". When Chiang refused to accept Communist participation in his Government

the Truman State Department, on Acheson's advice, cut off supplies to Chiang Kai-shek! As Freda Utley notes in *The China Story*:

*President Truman took steps to prevent the National forces from obtaining arms and ammunition . . . . On August 18, 1946, President Truman issued an executive order saying that China was not to be allowed to acquire any "surplus" American weapons which could be used in fighting a civil war, "meaning a war with the Communists."*

Weapons were withheld from our Chinese ally until 1948. The rest, alas, is history!

Meanwhile Dean Acheson was Acting Secretary of State. On December 22, 1945, he extended recognition and vast U.S. aid to Communist Josip Broz Tito in Yugoslavia; on May 1, 1946, he announced that the Soviets would be permitted to send "observers" to our Bikini atomic bomb tests; and, in the fall of 1946 he officially recommended that we "exchange atomic knowledge with the Soviet Union". Acheson even went so far as personally to act as counsel for his protégé, identified Soviet agent Lauchlin Currie, when the latter was brought before the House Committee on Un-American Activities.

The case of another Truman appointee, General George C. Marshall, has been thoroughly covered by Senator Joseph McCarthy in *America's Retreat From Victory, The Story Of George Catlett Marshall*. You will recall how General Marshall had been given favored treatment by the Roosevelt Administration, being made Chief of Staff of the U.S. Army by being jumped over the heads of twenty major generals and fourteen senior brigadiers. You will remember that while he was Chief of Staff he illegally approved destruction of the Army's counterintelligence files on Communists and other subversives, being thwarted only by the interference of Senator Styles Bridges of New Hampshire. It was Marshall who, as Roosevelt's top military advisor, approved the Yalta agreement despite the opposition of his top fifty Intelligence people. It was Marshall who literally disarmed Chiang Kai-shek. It was Marshall who opened the Kalgan Pass to permit the Russians to arm Mao Tse-tung. And on and on. General Marshall was, beyond question, a man of the Left.

In 1947, when Marshall was Secretary of State under President Truman, he was sent a secret memorandum from a Senate Appropriations Committee which stated:

*It becomes necessary due to the gravity of the situation to call your attention to a condition that developed and still flourishes in the State Department under the administration of [Assistant Secretary] Dean Acheson. It is evident that there is a deliberate, calculated program being carried out not only to protect Communist personnel in high places but to reduce security and intelligence protection to a nullity. On file in the department is a copy of a preliminary report of the FBI on Soviet espionage activities in the United States which involves a large number of State Department employees, some in high official positions. This report has been challenged and ignored by those charged with the responsibility of administering the department with the apparent tacit approval of Mr. Acheson. Should the case break before the State Department acts, it will be a*

\*In 1946 the Soviet Government of satellite Poland hired Acheson's firm to arrange an American loan of \$90 million. Donald Hiss, brother of Alger, was assigned to handle the case for the firm, which he had been invited to join after being forced out of the State Department when identified as a Communist. The loan was approved in spite of the pleas of the American Ambassador to Poland, Arthur Bliss Lane, and was used to consolidate Soviet control of Poland. The fee paid the law firm by the Communists was \$51,653.98.

*national disgrace. Voluminous files are on hand in the department proving the connections of the State Department employees and officials of this Soviet espionage ring.*

General Marshall, like Mr. Acheson, did nothing. On December 16, 1948, Dean Acheson, intimate friend and protégé, Alger Hiss, was indicted for perjury, having denied that he was a Communist in the face of proof offered by Whittaker Chambers that he was not only a Communist but a Soviet agent. President Truman called the Hiss Case "a red herring", and Secretary of State Acheson stated, even after Hiss was convicted: "I will not turn my back on Alger Hiss." Mr. Acheson's son-in-law, William P. Bundy, headed a committee to raise funds for the Hiss defense and himself contributed hundreds of dollars to that cause, explaining that he was doing it to help his father-in-law who thought it imperative that Hiss be cleared.

Alger Hiss had come into government service with the advent of the Roosevelt Administration. He had been recommended by Felix Frankfurter for the post of secretary to Supreme Court Justice Oliver Wendell Holmes and had then gone briefly into private law practise before going to work for the U.S. Department of Agriculture in 1933. Hiss soon moved to the Justice Department and then to the Department of State, where on May 1, 1944, he was placed by Dean Acheson in the newly formed Office of Special Political Affairs. This outfit was responsible for the development and coordination of American policy with respect to the United Nations Organization and prepared briefs to be used by Americans sent to the United Nations parleys. All matters relating to the proposed United Nations security organization came under the direct supervision of Mr. Hiss. He was even delegated by Acheson to go to Yalta in February 1945 as a top advisor to President Roosevelt.

At the United Nations conference called for April 25, 1945, in San Francisco, Hiss was named secretary-general. And it was Alger Hiss who carried the United Nations Charter from San Francisco to Washington in June 1945 for ratification by the U.S. Senate.

But Alger Hiss was a Communist. Acheson not only knew it, he knew that Hiss was in danger of being exposed. In December 1946, Mr. Hiss was selected as president of the Carnegie Endowment for International Peace by a coterie of *Insiders* including Acheson and John Foster Dulles. Hiss had planned to use the facilities and prestige of the Carnegie Endowment to publicize the U.N. and influence U.S. policy in support of it. When he resigned from the State Department, Dean Acheson attended his farewell party to praise him as a model government official. This in spite of the 1945 security memorandum, a copy of which was in Dean Acheson's possession, which stated:

*[Soviet courier Elizabeth] Bentley advised that members of this group had told her that Hiss of the State Department had taken Harold Glasser of the Treasury Department, and 2 or 3 others, and had turned them over to direct control by the Soviet representatives in this country. In this regard, attention is directed to Whittaker Chambers' statement regarding Alger Hiss and to the statement by Gouzenko, regarding an assistant to the Secretary of State who was a Soviet agent.*

As you know, Richard M. Nixon acquired his anti-Communist credentials in the course of Congressional investigations of the Hiss Case. This reputation, which in public overshadowed his less known Congressional support of the United World Federalists and his call for a superpowerful U.N. army, earned him a place on the Republican ticket in 1952 as the Vice Presidential running mate of General Dwight D. Eisenhower. The Republicans were elected after they led the American people to believe that they would clean subversives out of the government (especially the State Department), would conclude the Korean War, and would put a halt to the escalating move Leftward begun by F.D.R. Eisenhower, unfortunately, was neither a conservative nor an anti-Communist.

The fact that *Insiders* of the Eastern Establishment went so far in their efforts to stop Robert Taft as to arrange for the forging of credentials for whole delegations to the Republican Convention, buying votes where possible and even recalling loans of recalcitrant delegates, did not change the opinion of the American public that Dwight Eisenhower was a "great guy" and a genuine "hero". The powers behind the Eisenhower for President drive delivered so masterful a propaganda job that even now the idea that Eisenhower was anything but an anti-Communist is generally unthinkable. This is simply ludicrous.\*

Perhaps the most sinister director staging the Eisenhower blitz was a shadowy figure who operated from a suite high above the Waldorf Astoria Hotel. His name was Arthur J. Goldsmith. As Robert Welch correctly observes in *The Politician*, "There is a considerable body of evidence that Arthur Goldsmith even helped to 'mastermind' as well as finance" the Eisenhower campaign. If Ike's candidacy had an *éminence grise*, Goldsmith was it.

The late Bella V. Dodd revealed that, when she was a member of the National Committee of the Communist Party, U.S.A., she attended a key Communist meeting at which an important policy decision had to be made. Earl Browder, General Secretary of the Party, sent a courier from the meeting to obtain advice for deciding the issue. Dr. Dodd said she had presumed the courier would contact some official at the Soviet Embassy, but discovered this was not the case. Browder's courier was sent to the Waldorf Towers. Dr. Dodd reported that the man who made that decision for the Communist Party was Arthur J. Goldsmith.

It was to confer with this same Arthur Goldsmith that two Eisenhower brothers, Arthur and Milton, journeyed to New York shortly before Ike was elected President of the United States. President Eisenhower's dependence upon his brothers, especially Milton, was never publicized like the relationship between the Kennedys, but the influence was just as strong. Columnist Westbrook Pegler, whose inquisitive nature was the bane of many a politician, established that Arthur B. Eisenhower, a banker from Kansas City, occupied a suite next to that of Goldsmith from November 2 to November 7, 1952—election week—and that the suite was used by Arthur and Milton Eisenhower for secret conferences with Goldsmith.

*(To be continued)*

\*See Robert Welch, *The Politician*, Belmont Publishing Company, 1964. This highly controversial book is a gold mine of information, with 73 pages of bibliography and 73 pages of detailed footnotes in seven-point type.