



The Phyllis Schlafly Report



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"The Naked Capitalist"

The Naked Capitalist is the name of a new book by W. Cleon Skousen. It is "must" reading for anyone who has the intellectual curiosity to find out:

Why do some of the richest people in the world support Communism and Socialism? Why would they support what appears to be the pathway to their own destruction?

Is there really such a thing as the Eastern Establishment, and if so, who runs it and how far do its tentacles reach?

Is Communism merely a branch of a much bigger conspiracy?

Who is really running things in America? What is the hidden, powerful force that seems to control U.S. policies no matter who is elected?

Is there any truth to the charge that "there's not a dime's worth of difference between the two major political parties"?

The overwhelming majority of Americans oppose foreign giveaways. What is the hidden force that persuades Congress to vote at least \$10 billion in foreign giveaways year after year after year, in direct opposition to the wishes of their constituents?

The overwhelming majority of Americans are surely in favor of ferreting out Communist spies and traitors in our Government. What is the hidden force that makes non-Communists protect Communists and keep them in office, and also unleashes a terrible fury against those who want to investigate and expose Communists? One famous example of this is Harry Dexter White, Under Secretary of the U.S. Treasury during World War II. When the FBI informed the White House that White was a Soviet agent, White was neither fired nor arrested, but instead was promoted to Executive Director of the U.S. Mission to the International Monetary Fund and given a substantial increase in salary. J. Edgar Hoover was amazed. Attorney General Herbert Brownell, Jr. stated publicly that President Truman knew White was a Soviet spy when he made the appointment. The question is, WHY did the Establishment protect White?

The Naked Capitalist is the book which has the answers to these and other tantalizing questions.

Where Mr. Skousen obtained his facts for this remarkable book is its most unique feature. He discovered a 1,300-page book written by Dr. Carroll Quigley entitled *Tragedy and Hope: A History of the World in Our Times*, published by the Macmillan Company, New York, and by Collier-Macmillan Limited, London, at \$12.50. Dr. Quigley is currently

professor of history at the Foreign Service School of Georgetown University in Washington, D. C., formerly taught at Harvard and Princeton, and has done special research in the archives of France, Italy and England. He is the author of the widely-used college textbook, *Evolution of Civilizations*. He is a liberal professor with full Establishment credentials.

More than that, Dr. Quigley is an authority on the world's secret power structure because HE IS ONE OF THE INSIDERS. He boasts that he has been associated with many of the dynastic families of the super-rich. He writes approvingly of their power, influence, and activities. To assure his readers of his own unique qualifications for the writing of this book, Dr. Quigley states:

The Secret Network

"I know of the operations of this network because I have studied it for twenty years and was permitted for two years, in the early 1960s, to examine its papers and secret records. I have no aversion to it or to most of its aims and have, for much of my life, been close to it and to many of its instruments. I have objected, both in the past and recently, to a few of its policies...but in general my chief difference of opinion is that it wishes to remain unknown, and I believe its role in history is significant enough to be known."

In other words, Dr. Quigley is one of those on the inside of the "network", and his chief disagreement with his associates is that he wants to tell what the "network" is doing, and the others want to remain secret. Hence the book, *Tragedy and Hope*, in which Dr. Quigley "tells all", thereby exposing one of the best-kept secrets in the world. The "Hope" in the title represents the man-made millennium of a collectivist one-world society which the world will enjoy when the "network" achieves its goal of ruling the world. He says the "network" already has such power and influence that it is now too late for the little people to turn back the tide. All who resist represent the "Tragedy." He urges us not to fight the noose which is already around our necks, because if we do we will only choke ourselves to death.

Dr. Quigley is one of those verbose college professors who never use five words if they can say the same thing in twenty, and who never use a monosyllabic word if a polysyllabic word will do just as well. Hence the 1,300 pages of *Tragedy and Hope*. Hardly anyone has the time to wade through all those

words. What Cleon Skousen has done is to extract the significant passages which tell the purposes, personnel, and program of the network of super-rich capitalists who are aiding and abetting Communism and Socialism, and then fill in a few extra historical facts which put the whole picture in proper perspective.

The Naked Capitalist absolutely cannot be refuted because it is based directly on the words of a liberal Establishment historian who for years has been one of the boys. Dr. Quigley names names, dates and places because he believes that the network control is now so complete that the tide cannot be reversed -- and probably also because, being privy to so much hitherto unpublished information, he couldn't resist the temptation to write a book and reap the fame and profit of his inside information.

As the baseball ushers cry when you go into a game, "Get your program here! You can't tell who's playing without the name and number of the players!" Here are the Establishment secrets which Dr. Quigley reveals:

1. Who Runs The Establishment

The greatest value of *Tragedy and Hope* is that it constitutes a bold and boastful admission BY ONE ON THE INSIDE of the Establishment that there actually exists a relatively small but powerful group which has succeeded in acquiring a choke-hold on the affairs of America and Europe. Dr. Quigley identified this group as the "international bankers," men who are quite "different from ordinary bankers in distinctive ways: they were cosmopolitan and international; they were close to governments and were particularly concerned with questions of government debts . . . ; they were almost equally devoted to secrecy and the secret use of financial influence in political life. These bankers came to be called 'international bankers' and, more particularly, were known as 'merchant bankers' in England, 'private bankers' in France, and 'investment bankers' in the United States."

Of course, as Mr. Skousen points out, no small group could wield such gigantic power unless people in all walks of life were "in on the take" and willing to knuckle down to the ruthless bosses behind the scenes. The network has succeeded in building its power structure by using tremendous quantities of money to manipulate, intimidate, and influence on a worldwide basis.

Dr. Quigley shows that the core of control is in the financial dynasties of Europe and America who have exercised political control through the formation of international financial combines. These monopoly money dynasties learned the elementary lesson that all governments must have sources of revenue from which to borrow in times of emergency. By providing such funds, the international bankers could make both kings and democratic leaders tremendously subservient to their will. Quigley names who they are. He tells how they hid the extent of their immense wealth from the public by keeping their firms unincorporated, usually partnerships, offering no shares, no reports, and usually no advertising.

Dr. Quigley traces the immense power and control exercised by the Rothschilds, the Bank of England, J. P. Morgan, and the Rockefellers. By 1900, according to Dr. Quigley, "the influence of these business leaders was so great that the Morgan and Rockefeller groups acting together, or even Morgan acting alone, could have wrecked the economic system of the country."

By the beginning of the twentieth century, the American economy had become so dynamic that the major banking dynasties found it increasingly difficult

to maintain a tight control. Furthermore, their control was being challenged as a major political issue in national elections. So the Morgan and Rockefeller dynasties decided to follow the pattern of monopoly control over finance established by the Bank of England, that is, a PRIVATELY controlled institution which had the APPEARANCE of an official government institution. The result was the Federal Reserve Act, originally plotted in a secret meeting on Jekyll Island in 1910 attended by representatives of the Morgan and Rockefeller banks. The Federal Reserve bill was introduced into the Senate by Senator Nelson Aldrich, grandfather of Governor Nelson Aldrich Rockefeller. The original bill failed because Aldrich was too closely connected with Morgan and Wall Street.

The Morgan-Rockefeller group then realized they had to have Democratic backing in order to erase the Wall Street taint of the bill. The opportunity presented itself during the election of 1912. Desperate to defeat President William Howard Taft (who opposed the Aldrich bill), Wall Street poured funds into the campaigns of both Woodrow Wilson and Theodore Roosevelt, in order to split the Republicans and assure the election of Wilson.

The operation of the Federal Reserve is one of the most interesting and mysterious combines in the country. Since it was founded in 1913, it has successfully resisted every attempt to conduct an audit of its affairs. Its most recent political activity was to manipulate the interest rates during 1970 to the highest in 100 years which quickly caused a recession. This was blamed on the Republicans, and insured the election of a Democrat Congress. When David Kennedy, the Nixon Secretary of the Treasury, was asked about the credit-tightening policies of the Federal Reserve, he replied: "It's not my job to approve or disapprove. It is the action of the Federal Reserve."

2. How the Tax-Exempt Foundations are the Base of Operations

Dr. Quigley tells of the panic the Establishment went into at the formation of the Special Committee to Investigate Tax-Exempt Foundations in 1953 with Congressman Carroll Reece of Tennessee as chairman. In substance, Dr. Quigley admits the truth of the excellent book by Rene A. Wormser called *Foundations: Their Power and Influence* which detailed the facts about foundations as uncovered by the Reece investigation. Here are some criticisms of tax-exempt foundations given in the Wormser book:

- a) How they interlock into a monolithic monopoly of power to carry out globalist policies.
- b) How they develop an elite corps of social engineers with a compulsive drive to "remake the world" along Socialist lines.
- c) How the foundation-sponsored Kinsey report was deliberately designed as an attack on Judaic-Christian morality.
- d) How they imported a Swedish Socialist to produce a study on the American Negro which has been used to justify revolutionary activities.
- e) How they use the ultimatum "conform or no grant" to subvert and control American education.
- f) How they finance and promote Socialist textbooks.
- g) How they push Rhodes scholars into Government service.
- h) How they produce history books which keep Americans from learning the truth.
- i) How they promote the United Nations as the home base for the Socialist-Communist coalition.

Dr. Quigley explains why the Reece investigation did not have the impact it should have had: "It soon became clear that people of immense wealth would be unhappy if the investigation went too far and that the 'most respected' newspapers in the country, closely allied with these men of wealth, would not get excited enough about any revelations to make the publicity worthwhile, in terms of votes or campaign contributions."

The Naked Capitalist brings the anti-American activities of the Ford Foundation up to date. Under Paul G. Hoffman, member of the Council on Foreign Relations and trustee for the Institute of Pacific Relations, the Ford Foundation financed a film to whitewash the Communist connections of J. Robert Oppenheimer. Under McGeorge Bundy, the Ford Foundation has poured vast funds into the "Black Revolution", including men affiliated with the W.E.B. DuBois Clubs and R.A.M., \$50,000 to LeRoi Jones (author of a vulgar anti-white play called *The Toilet*), \$475,000 to the anti-white racist organization CORE, and \$508,500 to the "Citizens Crusade Against Poverty" which was a Walter Reuther scheme to unionize welfare and OEO recipients.

3. How The Establishment Helped Give China to the Communists

The Senate Internal Security Subcommittee in 16 volumes of hearings documented beyond any doubt that China was lost to the Communists by the deliberate actions of a group of academic experts on the Far East and Communist fellow travelers whose work was controlled and coordinated by the Institute of Pacific Relations.

Dr. Quigley adds a new dimension to the China story. He says: "The influence of the Communists in IPR is well established, but the patronage of Wall Street is less well known." He shows how the IPR money came from the Carnegie Foundation, the Rockefeller Foundation, and specific Wall Street interests, adding, "The financial deficits which occurred each year were picked up by financial angels, almost all with close Wall Street connections," including Frederick Vanderbilt Field, Thomas Lamont, the senior head of J. P. Morgan and Company, and his son, Corliss Lamont.

Dr. Quigley, in talking about the loss of China, admits the thesis of the great book by John T. Flynn, *While You Slept*, who was the first to expose how the leading book review journals are loaded to aid the Communists. Dr. Quigley states: "It is also true that this group, from its control of funds, academic recommendations, and research or publication opportunities, could favor persons who accepted the established consensus and could injure, financially or in professional advancement, persons who did not accept it. It is also true that the established group, by its influence on book reviewing in *The New York Times*, the *Herald Tribune*, the *Saturday Review*, a few magazines, including the 'liberal weeklies,' and in the professional journals, could advance or hamper any specialist's career. It is also true that these things were done in the United States in regard to the Far East by the Institute of Pacific Relations, that this organization had been infiltrated by Communists, and by Communist sympathizers, and that much of this group's influence arose from its access to and control over the flow of funds from foundations to scholarly activities."

4. The Role of the CFR in the Establishment

Dr. Quigley describes the Council on Foreign Relations as one of several "front" organizations set up by the inner group for the purpose of advancing its

conspiratorial schemes. Dr. Quigley explains more specifically that the Council on Foreign Relations "was a front for J. P. Morgan and Company." Some idea of the influence of the Council on Foreign Relations may be gleaned from the fact that there were 74 CFR members in the American delegation to the United Nations Conference at San Francisco in 1945, including Alger Hiss (Communist spy), Harry Dexter White (Soviet agent), Owen Lattimore ("a conscious, articulate instrument of the Soviet international conspiracy"), John J. McCloy (formerly head of the Rockefeller Chase-Manhattan Bank), Harold Stassen, Nelson Rockefeller, John Foster Dulles, Philip Jessup and Dean Acheson.

Internationally, the CFR is interlocked with the Bilderbergers, the Pugwash Conferences, the English-Speaking Union, the Pilgrims Society, and the Round Table. Within the United States, CFR members are interlocked with the American Association for the United Nations, the Foreign Policy Association, the World Affairs Council, the Committee for Economic Development, Business Advisory Council, Commission on National Goals, American Assembly, National Planning Association, and Americans for Democratic Action.

5. How the Establishment Controls the Universities

Dr. Quigley explains in detail how for generations the international financiers have dominated American universities through their control of university endowment money. He tells how Columbia University was dominated by J. P. Morgan and Company, and "its president, Nicholas Murray Butler, was Morgan's chief spokesman from ivied halls." Butler once said, "The world is divided in to three classes of people: a very small group that *makes* things happen, a somewhat larger group that *watches* things happen, and the great multitude which *never knows* what happened." Dr. Quigley gives many examples of how the international bankers placed their men as presidents of leading universities, including the placement of Dwight Eisenhower as president of Columbia.

Columbia University was the intellectual rostrum of the father of Progressive Education, John Dewey, and his favored disciples, William H. Kilpatrick, Harold O. Rugg, and George S. Counts, author of *Dare the Schools Build a New Social Order?* which urged teachers to "deliberately reach for power and then make the most of their conquest."

6. Establishment Influence on the Election of Presidents

Dr. Quigley tells how and why the Establishment was determined to defeat and destroy Barry Goldwater in 1964, unleashing a torrent of rage against him with such epithets as "extremist," "racist," "atomic bomber," "trigger happy," "warmonger," and "psychologically unfit."

Dr. Quigley tells how the international financiers manipulated the nomination of Dwight Eisenhower at the Republican National Convention in 1952. As Quigley explains, "The lower-middle-class groups had preferred Senator Taft as their leader. Eisenhower, however, had been preferred by the eastern establishment of old Wall Street, Ivy League, semi-aristocratic Anglophiles whose real strength rested in their control of eastern financial endowments, operating from foundations, academic halls, and other tax-exempt refuges."

Dr. Quigley explains Establishment support of John F. Kennedy like this: "Kennedy, despite his Irish Catholicism, was an Establishment figure. This did not arise from his semi-aristocratic attitudes or his Harvard

connections... These helped, but John Kennedy's introduction to the Establishment arose from his support of Britain, in opposition to his father, in the critical days at the American Embassy in London in 1938-40. His acceptance into the English Establishment opened its American branch as well."

In describing the Communist sympathizers and fellow travelers who took over in the United States under the Roosevelt Administration, Dr. Quigley says: "It must be recognized that the power that these energetic leftwingers exercised was never their own power or Communist power but was ultimately the power of the international financial coterie."

7. The Influence of Cecil Rhodes

The great and lasting influence of the Englishman, Cecil Rhodes, who had the money to propagandize for the strange ideas he believed in, is spelled out in detail by Dr. Quigley: "In the middle of the 1890s Rhodes had a personal income of at least a million pounds sterling a year (then about \$5,000,000) which was spent so freely for his mysterious purposes that he was usually overdrawn on his account... These purposes centered on his desire to federate the English-speaking peoples and to bring all the habitable portions of the world under their control. For this purpose Rhodes left part of his great fortune to found the Rhodes Scholarships at Oxford..."

Rhodes formed a secret society called the "Circle of Initiates," along with other fronts for those who were not on the inside. According to Dr. Quigley, "The power and influence of the Rhodes-Milner group in British imperial affairs and in foreign policy since 1889, although not widely recognized, can hardly be exaggerated." For example, Dr. Quigley goes on to show how this group dominated *The London Times* from 1890 to 1912 and "has controlled it completely since 1912 (except for the years 1919-1922)."

What we call the Eastern Establishment is the American branch of the Rhodes organization. J.P. Morgan and Company was the inner core of command, and the Council on Foreign Relations is its principal front. The Eastern Establishment extended its influence in the press in the same way in the United States as the Rhodes group did in England. According to Dr. Quigley, "The American Branch of this 'English Establishment' exerted much of its influence through five American newspapers (*The New York Times*, *New York Herald Tribune*, *Christian Science Monitor*, the *Washington Post*, and the lamented *Boston Evening Transcript*)."

Dr. Quigley also shows how the Establishment reached out to control the leftwing press as well. He names the Wall Street fortunes which established the *New Republic*, and says that "the original purpose for establishing the paper was to provide an outlet for the progressive Left and to guide it quietly in an Anglophile direction.... This latter task was entrusted to... Walter Lippmann... the authentic spokesman in American journalism for the Establishments on both sides of the Atlantic in international affairs."

8. The One Thing the Establishment Fears

Dr. Quigley describes the conflict between grassroots Americans and the Establishment as "the Midwest of Tom Sawyer against the cosmopolitan East of J.P. Morgan and Company, of old Siwash against Harvard, of the *Chicago Tribune* against the *Washington Post* or *The New York Times*..." He leaves no doubt as to where the real power centers are.

Dr. Quigley admits that nothing panics the international Establishment like the possibility of a threatened exposure. Whenever the public became somewhat aware of the conspiratorial processes, the vast, interlocking power structure of the whole London-Wall Street combine immediately shifted into high gear to cover up their agents and their tracks.

This is why the Establishment has viciously attacked nearly every Congressional investigation. Congressional hearings are the best sources of unvarnished truth we have had in America in the last 35 years. The Establishment turned all their heavy guns against Democrat Congressman Martin Dies, Republican Congressman Carroll Reece, Democrat Senator Pat McCarran, and Republican Senator Joseph McCarthy because they were opening up the secrets of the conspiracy for the American people to see.

The American people had been nationally alerted to the fact of Communist infiltration of our Government by the Alger Hiss conviction in 1950, and to the fact that our boys were sent off to fight no-win wars in which the Communists had privileged sanctuaries by the Korean War of 1950-52. By the time of the Communist takeover of Cuba in 1959, nearly everyone knew something had to be terribly wrong at the top.

Unfortunately, the Establishment counteroffensive spearheaded by the *Reuther Memorandum* and the *Fulbright Memorandum* has been very successful in intimidating American citizens from taking action and spreading information.

However, there has been a steady growth in the number of informed patriots. They are the true "Hope" of the country. In 1964, 27,000,000 of them proved that they could resist intimidation and insult of every vicious kind, and still stand up and be counted for their convictions. Events since 1964 have surely greatly increased this number.

W. Cleon Skousen is the author of a best-seller a decade ago called *The Naked Communist*. It is still one of the best books in print on the subject of Communism. A former high FBI official, a former Chief of Police of Salt Lake City, and now a professor at Brigham Young University and editor of the leading police magazine, Mr. Skousen has a record of reliability and dedication which few can match. In *The Naked Communist*, he has given us a tool to do the job.

Exposure is our greatest weapon against the enemy that seeks to destroy American freedom and independence. Buy and read *The Naked Capitalist* -- and persuade all your friends to do likewise.

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