

The \$5 Trillion Cold War Hoax

by Eustace [Mullins](#)

The Phoenix Project May 21, 1996

Contents

- I. "SCARE THE HELL OUT OF THE COUNTRY"
- II. CHURCHILL LAUNCHES COLD WAR
- III. THE CONVERSION OF SENATOR ARTHUR VANDENBERG
- IV. THE FLOOZIES OF WASHINGTON
- V. HARRIMAN'S REPLY
- VI. THE FIRST VICTIMS OF THE COLD WAR
- VII. THE EGGHEADS
- VIII. A PHONY WAR
- IX. A METEORIC CAREER
- X. REMARKABLE HERITAGE
- XI. THE POLICY OF "CONTAINMENT"
- XII. THE MEN BEHIND CONTAINMENT
- XIII. TECHNIQUES OF THE COLD WAR
- XIV. THE CIA RIDES TO THE RESCUE
- XV. EFFECTS OF THE COLD WAR

INTRODUCTION

PT Barnum said it for all time, "There's a sucker born every minute." For more than four decades, the American people have been terrorized, not by a foreign threat, but by their own government. In order for the Federal Reserve System central bankers to continue to loot the nation after the successful conclusion of the I Second World War, they had to invent a new threat. The only candidate was our erstwhile gallant ally, the Soviet Union. The central bank conspirators faced the task of continuing to mobilize the people against a terrible threat, taxing them heavily in order to save them from destruction.

Today, we are burdened by a \$5 trillion national debt. Coincidentally, that is the sum we have spent on "national defense" since 1945. The World Order billionaires launched a complex, long-term plan to demonize Soviet Russia. Overnight, they would undergo a sea change, from the darlings of the American political Establishment to a dangerous and possibly overwhelming enemy. In my researches of more than fifty years, I finally located the smoking gun which exposed this conspiracy, a little known article in the August 1977 issue of American Heritage magazine, "Who Started the Cold War?" by historian Charles L. Mee Jr., editor of Horizon magazine, and author of one of the first cold war books, Meeting at Potsdam.

I. "SCARE THE HELL OUT OF THE COUNTRY"

In this article, Mee writes that on Feb. 27, 1947, "President Truman met with Congressional leaders in the White House. Undersecretary of State Dean Acheson was present at the meeting, and Truman had him tell the Congressmen what was at stake. Acheson spoke for ten minutes, informing the legislators that nothing less than the survival of the whole of Western civilization was in the balance at that moment; he worked in references to ancient Athens, Rome, and the course of

Western civilization and freedom since those times. The Congressmen were silent for a few moments, and then, at last, Senator Arthur Vandenberg of Michigan, a prominent Republican who had come to support an active foreign policy, spoke up. All this might be true, Vandenberg said, but, if the President wishes to sell his program to the American people, he would have to 'scare hell out of the country'. It was at that moment that the Cold War began in earnest for the United States."

This is one of the most revealing statements in American history. This is the smoking gun which proves that the federal government used a terror campaign to frighten the American people into supporting four decades of Cold War spending on armaments. The initial campaign was the "atom bomb scare", which raged for some years; it finally lost its effectiveness, and was replaced by the ogre, based solely on falsified and invented CIA statistics, that Soviet Russia was the most terrifying military power, with the fastest growing economy, in the world. These two CIA claims were mutually exclusive; no nation could have the world's greatest military machine and at the same time support the world's fastest growing economy, but the statisticians successfully sold this scare story for years.

II. CHURCHILL LAUNCHES COLD WAR

The Cold War, the Hegelian invention of Soviet Russia and the United States at each other's throats, the "free world" vs. the "slave empire", Capitalism vs. Communism, was the final triumph of dialectical materialism, also invented by the German philosopher, Hegel. He laid down the dictum that to rule the world, you create a problem; you find an antidote to that problem; and you throw the two conflicting theses against each other, to result in a consensus or resolution. This diabolical and cynical formula reached its apogee in the Cold War. Hopefully, we will not see another such travesty of history.

Hard on the conclusion of the Second World War, the Colossus of the United States stood astride the entire world. With the world's largest economy, never touched by a single bomb or artillery shell throughout the war, the largest army, and a proud and victorious people, it was incredible that the United States could for a moment seriously regard the war-devastated Soviet Union as a threat. Stalin lost forty million people during the war; his nation was in rains. He desperately needed a breathing space in which to recover. Miraculously, the World Order invention of the Cold War came to his rescue. None other than Stalin's co-conspirator, Winston Churchill, was chosen to launch this new "problem".. Now unemployed, Churchill was desperate to get back into the limelight. At the invitation of President Truman, Churchill was brought to the United States to deliver a speech at little Fulton College, in Truman's home state of Missouri.

On March 5, 1946, at Fulton, Churchill made his famous "Iron Curtain" speech. He warned that an "Iron Curtain" had descended upon Europe, the Communist enslavement of the Eastern European countries. He failed to mention that he and Franklin Delano Roosevelt had joined at Yalta to deliver Eastern Europe to Stalin, with Alger Hiss, the originator of the plan, beaming in the background. Not a single journalist, anywhere in the world, mentioned Churchill's overwhelming personal complicity in creating and maintaining the dire situation which he now publicly deplored.

III. THE CONVERSION OF SENATOR ARTHUR VANDENBERG

One of Washington's leading political strategists, Senator Arthur Vandenberg had warned his co-conspirators at the Feb. 27, 1947 White House meeting that to sell the prospective Cold War program, they would have to "scare hell out of the country". He had an interesting background. A millionaire newspaper publisher in Grand Rapids, Michigan (later to become famous as the home of President Gerald Ford),

Vandenberg had been elected to the Senate in 1925. A rock-ribbed Republican, he voted against New Deal measures such as the Social Security Act. He was Republican minority leader, and Capitol Hill's leading isolationist. When the United Nations proposal came to Congress, no one in Washington doubted that Vandenberg would shoot it down.

All of Washington was amazed when Senator Vandenberg rose on the Senate floor, on January 10, 1945, and called for the establishment of the United Nations. As George Stimpson, founder of the National Press Club, later explained to me, America's leading isolationist had become a rabid internationalist in a single night. A beautiful blonde agent from British Secret Intelligence Service had been sent to his room. After an all night political discussion, Senator Vandenberg awakened to become the new champion of the United Nations. Although a little known story, it epitomizes how things are accomplished in Washington, today as yesterday.

This is the Senator who is described in the Dictionary of National Biography as "a jingoist and chauvinist who supported the aggressive foreign policies of Theodore Roosevelt and Taft." Franklin D. Roosevelt rewarded Vandenberg for his treachery by sending him as a special delegate to San Francisco with Alger Hiss to draft the United Nations Charter. The White House continued to shower gifts on Vandenberg, even going so far as to make his favorite nephew. General Hoyt Vandenberg, Commanding General of the United States Air Force.

IV. THE FLOOZIES OF WASHINGTON

During our discussions at the National Press Club in 1948, the subject of Senator Arthur Vandenberg's overnight conversion to the congressional champion of the United Nations was examined in detail. We recalled a fellow agent of the blonde British Secret Service agent who accomplished this mission, one Kaye Summersby, who had been chosen to mollify General Eisenhower, Commanding General of the entire European

Theater during the Second World War. Summersby's intelligence training included the arts of the ancient Byzantine hetaerae, who were skilled in the arts of "unendurable pleasure, indefinitely prolonged". With Summersby as his chauffeur, Eisenhower was delivered to small country hotels in England, while his adviser, the political commissar Capt. Edward M. M. Warburg, of the banking family, ran the war from London. The enraptured general notified his superior, George Marshall, that he was divorcing Mamie Eisenhower to marry the princess of endless delights, which of course was never in the cards. Marshall promptly reported this development to President Truman, who was furious, notifying Ike that it was out of the question (Plain Speaking, by Merle Miller). Kaye ended her days as a permanent house guest on a Rothschild estate on Long Island.

Another British agent, Pamela Digby Churchill, married to Winston Churchill's son, later married Averill Harriman, the unofficial foreign minister of the United States. Harriman's exploits in travelling the world, instructing the heads of nations in how to conduct their affairs, was legendary. He became the subject of a series of novels by Upton Sinclair, chronicling the feats of one Lanny Budd (Harriman) throughout the world. Harriman spent the last two years of World War II at Stalin's Kremlin headquarters, dictating to Stalin how he should conduct the war. After his death, Pamela Churchill Harriman took over the Democratic National Committee. She is now our Ambassador to Paris, the most desired appointment in our foreign service, presiding over 1100 employees.

V. HARRIMAN'S REPLY

When Charles T. Mee Jr.'s historic article appeared in American Heritage magazine in August of 1977, the editors notified Averill Harriman and gave him the chance to reply in the same issue. Harriman's response was headlined "We Can't Do Business with Stalin". The Communist dictator who had been Harriman's lackey throughout the war was now dismissed as

uncooperative! Harriman recounts in great detail the repressive policies of Stalin towards the captive nations in Eastern Europe (policies which Harriman himself had initiated), and goes on to denounce Mee's astounding report as "revisionist". "Mr. Mee has made his own sketchy revision of standard revisionist doctrine," quoting Mee's statement that "the Cold War served everybody's purpose." Truman needed an excuse for deficit spending, because without it he could not have kept the American economy busy and productive. Thus he waged a Cold War, after the hot war was won, to justify continued deficit spending. With the Truman Doctrine and the Marshall Plan, the encouragement of American multinational companies, and a set of defense treaties that came finally to encompass the world, he institutionalized it."

As Charles T. Mee Jr. points out in his article, Stalin was a principal beneficiary of the Cold War. "Stalin needed the Cold War, not to venture out into the world again after an exhausting war, but to discipline his restless people at home. He had need of that ancient stratagem of monarchs the threat of an implacable external enemy to be used to unite his own people in Russia." Mee also names Winston Churchill as a prime suspect in the Cold War conspiracy. He states that Churchill "emerged from World War II with a ruined empire, irretrievably in debt, an empire losing its colonies and headed inevitably toward bankruptcy. Churchill's scheme for saving Great Britain was to arrange to have America and Russia quarrel, while America and Russia quarreled, England would as American diplomats delicately put it 'lead' Europe". As had been the case for some three hundred years, "leading" Europe and the United States meant that Great Britain would make frequent use of its secret weapon, the Secret Intelligence Service. Its powers included, as we have seen, reversing the entire foreign policy of the United States overnight, from isolationism to an abject embracing of the United Nations; making the most prominent American general and future President a "love slave" of a ruthless intelligence agent, and much, much more, most of which we shall never know.

VI. THE FIRST VICTIMS OF THE COLD WAR

The first victims of the Cold War were not soldiers; they were American politicians who were reluctant to embrace the new campaign. The first casualty was elder statesman Henry Stimson, who wrote a memo to President Truman in the autumn of 1945, cited by Mee as the cause of Stimson's disappearance from Washington. Stimson's memo denounced the projected Cold War as a serious error, and called for "satisfactory relations" with Russia. Henry Wallace, Secretary of Commerce, also protested against the Cold War, he was allowed to resign. Mee identifies the "comers" in Washington as those who were quick to latch onto the Cold War as "the wave of the future". Those who tended to believe in an aggressive attitude toward Russia, were spotted, and promoted young men such as John Foster Dulles and Dean Rusk. George Kennan, then in the American Embassy in Moscow, was discovered after he sent a perfervid 8,000 word telegram back to Washington. "We have here a political force committed fanatically to the belief that with U.S. there can be no permanent Modus Vivendi, that it is desirable and necessary that the internal harmony of our society be disrupted, our traditional way of life be destroyed, the international authority of our state be broken." Mee mentions that, in his memoirs, Kennan says that he now looks back on his cable 'with horrified amusement'. "At the time, however, he was ideal for Truman's use, and he was recalled from Moscow and made chairman of the State Department's Policy Planning Committee, or as the New York Times called him, 'America's global planner'."

VII. THE EGGHEADS

Critics of the new Cold War foreign policy quickly found a nickname for its architects, "the eggheads". Like George Kennan, they were liberal intellectuals, often prematurely bald, and unanimous in their dislike of the American people, whom

they hated and feared, and their Constitution. Their goal, which they now seem to have achieved, was to liberate the federal government, which Thomas Jefferson and the other Founding Fathers had written to "bind down the government with the chains of the Constitution". While ostensibly following an "anti-Communist" policy, the eggheads never forswore their dedication to Marxism, and its monolithic state.

During the four decades of the Cold War, Hollywood, which never failed to bolster the goals of the Cold War architects, reserved its bitter scorn for "red-blooded Americans" who stood for flag and country. While forbearing from ever presenting lifelong Communists in a deprecating way, Hollywood made films deriding "anti-Communists" as flag-waving American Legion boobs, a stance which it continues to this day. If any one of the eggheads and their Hollywood lackeys were to be called a "patriot", they would be overcome with shame.

VIII. A PHONY WAR

During most of its history, the Cold War was a propaganda war, in which the opponents hurled invectives at each other. However, the military-industrial complex cannot make billions of dollars from propaganda; there had to be occasions of real shooting. We endured the Korean War and the Vietnam War, with hundreds of thousands of casualties, while Soviet Russia did not lose a man in either war. Both Russia and the United States were careful to have the scenes of battle take place thousands of miles from their own lands, in poverty-stricken countries such as Korea and Vietnam. We had the Cuban missile crisis, a soap opera in which the media convinced Americans that they had been on the brink of atomic destruction, being saved just before the bombs were launched by the "incredible diplomatic skills" of John F. Kennedy and Khrushchev, neither of whom before or after this crisis had ever shown the slightest skill at diplomacy. The Berlin Wall was built, to prevent all of its population from fleeing the desolation of Communist East Germany. The eggheads greeted the Berlin

Wall with praise. President John F. Kennedy made a special trip to Germany to put his seal of approval on the Berlin Wall, and to reassure the Communists that the United States would not remove it. And we never did. It was the Germans themselves, driven beyond endurance, who ripped it down, much to the consternation of our eggheads in Washington.

IX. A METEORIC CAREER

Although few Americans recognize the name of **George Kennan**, he not only was the source of the nickname "egghead", he also was the bureaucrat entrusted with the maintenance of the Gold War in Washington for many years. He was named after his uncle, George Kennan, who spent many years travelling in Czarist Russia on "missionary work" for the world Communist movement. He was entrusted with many millions of dollars by **Jacob Schiff**, known as "A Prince in Israel", who was born in the Rothschild house in Frankfurt, and who, according to his grandson, John Schiff, had spent twenty-two-million dollars of his, personal funds to bring about the Bolshevik Revolution in Russia. Most of this money was spent on revolutionary propaganda, which Kennan, with journalistic credentials, distributed throughout Russia. Some historians credit George Kennan as the pivotal force in the Bolshevik Revolution, pointing out that it was his distributing of thousands of revolutionary leaflets to officers in the Czar's Army which turned them against the regime and led to the downfall of the Czar.

George Kennan also worked with Jacob Schiff in financing Japan in the Russo-Japanese War of 1905. The Japanese government decorated Kennan with the Gold War Medal, and the Order of the Sacred Treasure. (The World Order, by Eustace Mullins, p. 64). Schiff instigated this war to strike a blow against the alleged oppression of Jews in Russia, and to create a governmental crisis by which the Communists could seize power. The "1905 Revolution" failed miserably; the Communists

had to wait twelve more years, with Schiff's continued support, before they could seize power.

X. REMARKABLE HERITAGE

To those who have studied the history of the twentieth century, it is not at all paradoxical that the American government should have entrusted its foreign policy towards Russia to someone named after the man who is credited with bringing about the Bolshevik Revolution. When Franklin D. Roosevelt, repaying Communist support which gave him victory in his presidential race against Herbert Hoover, promptly extended diplomatic recognition to Stalin, it was George Kennan who was chosen to accompany Ambassador William Bullitt to Moscow to reopen the American Embassy. It was George Kennan who wrote the notorious 8,000-word "long telegram" sent from Moscow to Washington on Dec. 22, 1946, where, as he points out, it caused a sensation, and led to his being summoned back to Washington to head the newly created post of head of Policy Planning.

Kennan states in his memoirs that he had the only office directly adjoining the office of Secretary of State General George Marshall, and that it was he, Kennan, who actually drafted the text of the Marshall Plan.

XI. THE POLICY OF "CONTAINMENT"

However, it is as "X", the anonymous author of an article which appeared in the July, 1947 issue of Foreign Affairs, the official publication of the Council on Foreign Relations, titled "The Sources of Soviet Conduct", that George Kennan continues to be remembered in Washington. This article laid down the principle of "containment" which was to be official U.S. policy towards Russia for the remainder of the Cold War. No wonder the New York Times called Kennan "America's global planner". Henry Kissinger, who inherited the Kennan policy of the Cold War, wrote in *White House Years*, p. 135, that "George Kennan came

as close to authoring the diplomatic doctrine of his era as any diplomat in our history."

Paul Kennedy, in *The Rise and Fall of the Great Powers*, defined the "policy of containment" as follows: "The view from Washington was that a master plan for world Communist domination was unfolding and needed to be 'contained'." Walter Lippmann, who was a one-man think tank in Washington for fifty years, and an adviser to many Presidents, adopted Kennan's policy in his influential *The Cold War; a Study in United States Foreign Policy*, as America's senior elder statesman.

Kennan's "containment" policy was just that; that the Soviet Union and world Communism would be contained, but never openly challenged or fought against. It was a permanent guarantee that the captive nations of Eastern Europe, which had been delivered to Stalin by Roosevelt, Churchill and Alger Hiss at Yalta, would never be liberated from Communism. An organization championing the captive nations was for many years the most hated and derided group in Washington, Composed of a few Congressmen from Chicago and Cleveland who had strong ethnic backing from Poles, Czechs and other Eastern Europe countries, it was a political embarrassment for many years to the oligarchs of the Cold War.

XII. THE MEN BEHIND CONTAINMENT

In his memoirs, Kennan mentions that one of the principal sponsors of his containment policy was then Secretary of the Navy James Forrestal, who later, as Secretary of Defense, became one of a long list of "Washington suicides", a special category a la Vince Foster. Although published in *Foreign Affairs*, a magazine read only by the Elite, it was quickly taken up by Arthur Krock of the *New York Times*, the most influential journalist in Washington. He reprinted the article in the *New York Times*, describing it as the "most important foreign relations document of the century". A shorter version of the

containment article was then published in Life magazine. It had now inundated the country.

Kennan states in his memoirs, "I emphatically deny the paternity of any efforts to invoke the doctrine of containment today." He downplays both the "long telegram" and the article by "X", claiming that they have been "misunderstood". He modestly ignores the fact that he laid down the policy which our government has followed for forty years. His reward was a post as professor at the elite think tank in Princeton, the Institute for Advanced Study, where he has worked since 1950, with interim appointments as Ambassador to Russia and to Yugoslavia. He also was awarded the Albert Einstein Peace Prize, presumably for avoiding a Third World War by his policy of containment (my studies have shown that a Third World War between Russia and the United States was never seriously considered by anyone in authority). It was only a "War Game".

XIII. TECHNIQUES OF THE COLD WAR

The government propaganda techniques by which the American people were terrorized for some forty years began with the dire threat of nuclear annihilation. School children went through daily drills of falling to the floor in terror of the atomic bomb which would destroy their school. Their parents built backyard "bomb shelters" stocked with food and water. Because "scientific studies" showed that the radiation peril would last for at least five hundred years, the survivors apparently expected to spend that much time in their shelters. Nationwide philosophical debates ensued as to whether the survivors, huddled in their shelters after the blast, should open the door to neighbors or to "minorities" who had neglected to build bomb shelters, or whether they should shoot those who battered down the doors to get food. Hollywood loyally produced many movies about the coming atomic debacle, such as *Dr. Strangelove*, in which insane fascists were determined to use the bomb to destroy the civilized world; *War Games*, in which a mad computer tried to trick the United States and

Russia into destroying each other; and a steady stream of films depicting "Bette Davises" as little old librarians who were determined that students should be allowed to read the works of Karl Marx.

XIV. THE CIA RIDES TO THE RESCUE

After years of exposure to the imminent threat of being vaporized in an atomic blast, Americans began to ignore the threat; many of them bulldozed their bomb shelters into swimming pools. It was obvious to our masters that new techniques of terror had to be developed. The Central Intelligence Agency now became the vehicle of mass terrorism. It became known as "the Company" under the leadership of stock promoter Bill Casey. He became highly skilled at peddling alarming statistics about the threat of Communism to Congress, who hastily voted vast increases in the "defense" budget. The oligarchs abandoned the now worn out doctrine of nuclear annihilation. There would be no need to spend two-hundred-and-fifty-billion dollars a year on tanks, guns and airplanes if they were all to be vaporized by a single bomb. The defense budget had been brought from a low of \$13 billion in 1947 to a continuous budget in the hundreds of billions. With its top secret budget of hundreds of millions of dollars a year, never to be examined by anyone, the CIA sent its own James Bonds all over the world usually to attack and overthrow "anti-Communist" governments and "dictators" such as Ferdinand Marcos, who had been indiscreet in their denunciations of Communism. The CIA hired hundreds of journalists to write books and articles promoting its version of the Cold War, always at the highest prevailing rates.

XV. EFFECTS OF THE COLD WAR

The effect on both Russia and the United States of the Cold War conspirators has been devastating. Russia's economy is in a state of collapse, with no improvement in sight. The United States has been looted; its infrastructure, its roads, bridges and other

assets need many billions in immediate repair. We have the \$5 trillion Cold War debt; but the most destructive effect on our nation is the Cold War's effect on our morality.

The years of being terrorized by the atomic threat had a very destructive effect on morality. If we were to be vaporized at any time, it seemed worthwhile to seize the moment, to take pleasure, money and any other rewards while they were available, without (bought for the consequences, since there would be no consequences. We have now endured the effects of this poisonous doctrine for several generations.

The effect of the CIA propaganda lies about the "great Soviet Union" which might take over the world at any moment has been equally destructive. When conservative economist Paul Craig Roberts landed in Moscow during the height of the CIA propaganda campaign, he was stunned to find that Soviet Russia had "a Third World economy". I had proved in my writings that the United States taxpayer had been subsidizing the Soviet Union since 1917. In fact, Americans have been living a lie for four decades, the lie that we were in dire peril from "the Communist threat". This lie has been demoralizing; it has placed us on the brink of bankruptcy; and it poses the challenge to us: When are we going to get rid of our Cold War conspirators? They must pay the price for the destruction they have wrought on our nation. We must drive them out of every office; bring them to trial for their high treason; and restore the Republic which our Founding Fathers bequeathed to us. It is this task not sad jokes about "balancing the budget" which will determine whether this nation will survive to the twenty-first century.