



# The Third Way



The Nazi International,  
European Union,



and  
Corporate Fascism

Joseph P. Farrell

# THE THIRD WAY

The Nazi International,  
European Union and  
Corporate Fascism



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European Union,**



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Corporate Fascism**

**Joseph P. Farrell**

**The Third Way:**

The Nazi International, European Union  
and Corporate Fascism

by Joseph P. Farrell

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*To My Friends: You are each a*



*To Scott Douglas deHart:  
For conversations about beauty, music, poetry, and good things:  
“Thankyou” is not enough;*

*To Catherine Austin Fitts,  
Former Assistant Secretary of Housing and Urban Development during the  
administration of President George H.W. Bush, Who has been tireless in  
exposing the schemes of “Mr. Global”, For many stimulating conversations  
about the financial realities underwriting our age;*

*To Walter Bosley,  
For many conversations and acts of friendship;*

*To My Many Readers  
whose questions have inspired this book;*

*To George Ann Hughes,  
For many comforting and encouraging hours of conversation: You have  
influenced so many for the better, and yours is a voice that will never be  
silenced;  
Thank you, my friend, and God speed on your new journey;*

*And to  
Tracy S. Fisher:  
You are, and will always be, sorely missed.*

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## PREFACE

“*The one duty we owe to history is to rewrite it.*” Oscar Wilde,  
*The Critic as Artist*

**D**OES THE NAZI INTERNATIONAL STILL EXIST? IF SO , where is it located? Who are its members? What has it been up to? Ever since writing *The Nazi International*, people have been asking me these questions. Indeed, I have been asking them myself, and in other books—*Covert Wars and Breakaway Civilizations* and *Covert Wars and the Clash of Civilizations* —I have been attempting to lay the groundwork necessary to answer that question. This book now attempts to do so directly. In point of fact, some of the material presented in this book I had gathered years ago when researching and writing *The Nazi International*, but I had decided not to incorporate it in that book, because that book was, as its title suggests, focused on the international extent of postwar Nazism and some of its activities.

But the answer to those questions is both disconcerting, and disconcertingly simple, for the answer is immediately implicated in any consideration of the August 1944 meeting of German industrialists and Nazi Party leaders at the Hotel *Maison Rouge* in Strasbourg, France. There the Nazi leadership and the German industrialists agreed to create a worldwide system of front companies, and a system of corporate-Nazi Party liaisons to maintain a covert coordination of Party and corporate interests and goals for postwar Germany and Europe. Careful consideration of the implications of the Hotel *Maison Rouge* meeting indicate that the principal field and center of action for the postwar extraterritorial state that I have called the Nazi International remained centered in Europe, and was concentrated into the centers of German corporate power. The Nazi International is a thus constellation of corporate relationships best characterized as cartels and trusts, behind which lurks an unreconstructed and unreformed Fascist ideology of the fusion of corporate and state power.

It is that fusion of corporate and state power that was really at the root of the Morgenthau Plan, brainchild of President Franklin Delano Roosevelt’s Secretary of the Treasury during World War Two, Henry Morgenthau Jr. For

a period of a brief few months during the final stages of the war, the “Morgenthau Plan” became the official Allied policy for postwar Germany. Under the plan, the Reich was not merely to be occupied by the Allied Powers, but broken up into three or more independent states, and completely de-industrialized. There was a certain ineluctable logic to the idea, for only by the complete destruction of the massive German industrial plant could the power of the large German corporations and their hold and influence over the German state be broken. Morgenthau’s Plan, while little more than a memorandum for revenge, did have another rationale, and that was that American experts were fully aware of what Germany’s war aims in both World Wars was: the creation of a pan-European federation under German dominance and leadership, and therefore, under the dominance of the industrial-capitalists of the Rhine. It is the consistency of those aims, and the patterns and techniques used to pursue (and, it should be noted, ultimately achieve) them, that is the subject of this book, for as always, the devil is in the details.

The Morgenthau Plan was, however, dead almost as soon as the ink was dry on the surrender instruments signed at the end of World War Two by the German military, and for a very important reason: as will be seen in the main text, the Nazis had made it one of their chief aims and goals to liaise and utilize the pro-German sympathies of the American financial and corporate elite, a power structure in which they recognized their own Fascist ideology. The objective was to steer a careful course, a “middle” or “third way” between the Western and Communist blocs until such time as a “European Reich” could be created of sufficient economic power and military potential to be a counterbalancing force between the two blocs, and until such time as the “rollback” of the Communist bloc could be achieved. This “third way” was to be, as we shall see, neither the finance capitalism of the West, nor the state socialism of the East, but the finance-cartel capitalism and state socialism that became the hallmark of Imperial Germany, and remained as a fundamental structural feature of German domestic and international politics ever since.

The favored patterns and techniques of this power structure surveyed in this book thus concentrate on a number of areas:

- 1)The organization of the functions of the state around, and their integration in, cartel-like and trust-like corporate structures, which



in their turn impose regulatory state bureaucracies by-passing legislative processes in favor of bureaucratic regulatory systems;

2) These structures in turn also incorporate the “cartelization of currency” into a German-dominated currency zone, which were definite war aims of the Nazis and their cartel allies. These aims were not only explicitly stated during World War Two, but detailed plans were made to implement them after the war. In the retrospective of history, the outcome of the war did not modify nor affect those plans, it merely delayed them;

3) The relationship between finance and physics that I have outlined in previous books 1 was continued by the Nazis not only during the war with their advanced research projects and their deep connections to large German corporate combines, but *after* the war. In this connection, in my book *The Nazi International* I have detailed the “fusion” project of Dr. Ronald Richter in Argentina after the war, and its peculiar connection to the A.E.G. company, which was also heavily involved in the Nazi Bell project. That connection of high finance and corporate cartelism is examined in this book in connection with CERN’s Large Hadron Collider project, a project that I have called “the Cosmology Cartel,” for reasons that will become apparent in the main text. Here too, the persistency and consistency of the patterns of history are disturbingly profound. However, this topic could only be broached once the historical background was adequately laid in *Babylon’s Banksters* and *Secrets of the Unified Field*, where I first surveyed the groundbreaking work of electrical engineering genius and theorist Gabriel Kron. My examination of the Large Hadron Collider project is without any doubt extremely speculative, and one of the most difficult chapters in any book I’ve ever written, due to its terrible cosmological implications. These, as the reader will discover, are very *different* than the world-destroying scenarios being bandied about by most conspiracy theorists speculating about the Collider, for they are of a very different nature and go directly to the cosmological and philosophical implications of quantum mechanics and little-considered aspects of the CERN project. 4) Yet other patterns in evidence and reviewed here are the consistent and persistent use by the Euro-German cartel elites of radical Islam, and the supply of

advanced weapons technologies to “pariah states” as a means of destabilization in which the interests of the this cabal can be advanced as the leader of the West, America, rushes around the world trying to plug the leaks in the dike. One may view this as the “weaponization of radical religion,” a technique and program begun under the Kaiser, and continued unabated by the Nazis. Viewed in such a context, the “War on Terror” may be a convenient way of disguising a “War with the Nazi International.”

There is a final and most important matter that this book attempts to outline and explore, though admittedly, the topic would require of thick volume of its own in order to treat it adequately. That matter and topic is one of those obvious things that, until one points it out, one does not notice it. Indeed, it is so obvious it is in my opinion astonishing that no author or researcher has (to my knowledge at least) either stated it, nor attempted to deal with it and speculate on what it might mean for historiography and the interpretation of events, particularly the events of the stormy post-war American domestic political scene, from the bewildering rush to expose “security risks” within the postwar departments of American government in the activities of the House Un-American Activities Committee, the various McCarthy episodes and his Senate Committee on Government Operations, to the efforts of the McCarran Committee investigations of Mafia operations, to the political assassinations of the 1960s.

There is a historiographical problematic staring us in the face during this era, and it has always perplexed me that no one has stated it nor attempted to deal with it, much less speculate on what its presence might portend for subsequent events. That problematic may be bluntly stated as follows: It is undeniable that there was deep, and pervasive, Communist infiltration and influence within the Federal Government, beginning during World War Two. The recent declassification of the Venona intercepts, America’s decryption of wartime and postwar Soviet communications, have revealed the pervasive and high-reaching extent and influence of this infiltration, causing some authors to reassess the whole image of one of its most notorious expositors in American politics. Some of the most famous names in American politics achieved their early rise to power being involved with this effort: Senator McCarthy, of course, is the one that springs to most people’s minds. But equally, Robert Kennedy and Richard Nixon began

their political careers through direct involvement with these efforts, and several other careers were launched as a consequence of them or played a key role in them: Barry Goldwater, Everett Dirksen, Hubert Humphrey, Karl Mundt.

Yet, similarly, it is also an undeniable fact that the USA deliberately recruited Nazis for its postwar black projects, and, moreover, made an incredibly Faustian bargain with the head of German military intelligence on the Eastern Front, General Reinhard Gehlen. Here again, the postwar influence of Nazis within American governmental structures and policy formation has been a subject of historical research and speculation.<sup>2</sup>

To put the point succinctly, by the early 1950s, the national security apparatus of the United States contained within it both a *Communist* faction and a *Nazi* faction. Yet, no one seems to have noticed this very obvious fact much less have speculated on what it might mean or imply for the interpretation of postwar events. Could it be that behind the uproar of the late 1940s and 1950s over “the Red scare,” that a much deeper covert warfare was being waged between these two factions, as each sought to expose and remove the influence of the other within the Federal government? While the answer to that question would, as indicated, require a volume or volumes of its own to answer in detail, I believe that the answer to it might be a tentative “yes,” and that answer is explored in the third part of this work. As we shall see, there are details lurking in recent historical reevaluations of the career and allegations of the period’s most notorious representative, Senator Joseph McCarthy, that tie directly to themes I have explored in other books, themes of hidden systems of finance, Axis loot, obfuscated gold, and a Fascist International, that the revisionist historians, by remaining fixed only on the substance of the Senator’s allegations—Communism—overlook.

Joseph P. Farrell  
2015  
From somewhere

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[1](#) See my *Philosophers' Stone: Alchemy and the Secret Research for Exotic Matter* (Port Townsend, Washington: Feral House, 2008), and *Babylon's Banksters: The Alchemy of Deep Physics, High Finance, and Ancient Religion* (Port Townsend, Washington: Feral House, 2010).

[2](#) In this respect, one need only think of Christopher Simpson's magisterial work, *Blowback: The First Full Account of America's Recruitment of Nazis, and Its Disastrous Effect on our Domestic and Foreign Policy* (New York: Collier Books, 1988).

**PART ONE :**  
**WELTMACHT ODER UNTERGANG**

*“There is a wealth of material providing irrefutable proof that Dr. Adenauer’s whole timetable in dealing with the Western Powers has been carefully prepared by those ‘irresponsible’ Haushofer-Ribbentrop disciples who, from Madrid and Buenos Aires, regularly give directives to their former Nazi colleagues in the Bonn Foreign Office and in the leading German papers.”*

T.H. Tetens  
*Germany Plots with the Kremlin* (1953), pp. 23-24.

## A VERY STRANGE AND PRESCIENT DOCUMENT : THE MADRID CIRCULAR

*“It is obvious that the United States is fully controlling the Kiev Nazis, Poroshenko personally, and the government, and is pushing them to pursue this war against Donbass to the very end...This is a war by the United States against us...So we have to understand that the key to resolving the catastrophe of (the) Ukraine is to be found **in Washington. That’s where Nazism has to be defeated.**”*

Sergei Glazyev, Russian economist and advisor to Russian President Vladimir Putin.<sup>[1](#)</sup>

**I**N 1950, THE GERMAN GEOPOLITICAL CENTER IN MADRID , a thinly-disguised Nazi organization, circulated a lengthy and remarkable top secret document among its members, outlining the geopolitical policies and goals for a remarkable group of highly connected people, a group I have variously called The Nazi International, or The Fascist International. One might reasonably call it the Post-War Axis International, a kind of extra-territorial international Axis state comprised of elements of the militaries, intelligence apparatuses, propaganda and foreign ministries of the former Axis powers and their satellites, a crazy patchwork quilt of Japanese naval officers, former Kempai Tei, Yakuza, German veterans from all services branches, elements of Joachim von Ribbentrop’s Foreign Ministry, the Nazi Party Chancery, the SD, veterans from the Italian Fascist party and the *Regia Marina*, Belgian Rexists, Dutch Nazis and Croatian Ustashi...they were all included. What united them was a common ideology and purpose: the ideology was power—raw and naked power—and a determination to oppose and ultimately defeat Communism, and then the West’s major power, the United States of America. To achieve this end, they allied themselves with those within the target blocs who shared their ideology of an international corporate socialism, of an international Fascist order.

It was, and remains, an elite of evil, connected to the very highest echelons of western power and to the very depths of international criminal

organizations. And judging by the plunge of western “democracies” and “republics” into the most draconian police states imaginable—with a camera at every stoplight and fundamental freedoms going back to the *Magna Carta* under assault, while banksters who have perpetrated some of the most massive fraud in history not only are not behind bars, but have awarded themselves fat bonuses, while elected “representatives” are increasingly evidently but two sides of one Fascist coin—they have been wildly successful not only at surviving, but in transplanting their ideology into the very institutions of power of their former enemies.

In short, if the United States, or the United Kingdom and British Commonwealth nations, or the European Union, or NATO, the policy pronouncements of the IMF or BIS (Bank of International Settlements) look increasingly Fascist, then this is because it is the result of the bargains and deals struck with the Fascist devil by elements of American intelligence at the end of the Second World War.

*Germany surrendered, but the Nazis did not.*<sup>2</sup>

#### *A. The Two Problems of the Madrid Circular and a Methodological Implication*

No document drives home the importance of that absence of a Nazi surrender better than the Madrid Circular of 1950. This very strange document first appeared, in its stark Nazi totality, in an equally strange book, first published in 1953, by a German-American, T.H. Tetens. The book’s title highlights the strangeness of its contents and announces its main thesis: *Germany Plots with the Kremlin*, and its subtitle announces its equally audacious contents: *Never Before Published: The Documents Revealing Germany’s Secret Plan to Betray the U.S.A.* Its contents—besides the “Madrid Circular”—consist of a series of magazine articles and oped pieces from various West German media organs and officials of the government of West Germany’s first post-war Chancellor, Konrad Adenauer, which, Tetens argued, were either staffed with former Nazis or which were beholden to them.

However, there are two problems with the document. The first is that the document—so far as this author has been able to verify to the present time—has no provenance. It exists nowhere else, and in its entirety, other than in Tetens’ 1953 book. The second is that notwithstanding this lack of

provenance, the breathtaking geopolitical scope of its contents are so sweeping that the current structures of the European Union are implicated, and this in a book published in 1953! Indeed, when one reads the Madrid Circular, many aspects of the document strike one as being almost surreally applicable to the geopolitical and financial world of 2015, and not 1950, the year of its purported composition.

This implies that one method to verify or disprove its provenance is to examine its contents in detail, and seek to verify those contents with respect to German war aims going back to the First World War, and structures and statements from German and other European Union advocates after World War Two. Parallelisms will thus tend to establish authenticity.

### *B. The Contents of the Madrid Circular*

The document itself is titled “The War in Korea and World Political Possibilities for Germany and Europe,” and is classified “Top Secret!”<sup>[3](#)</sup> Its purported distribution includes a very short list, attached to the end of the document, which reads simply, and somewhat mysteriously:

Dr. M.  
v. T., Bonn  
Rom  
Barcelona,  
Buenos Aires,  
Z.A.<sup>[4](#)</sup>

While I have been unable to identify either of the two personal names—the Dr. M. and “v. T., Bonn”—what does emerge from this rather vague list is that the Madrid circular had a rather broad distribution to all the typical centers of the postwar Axis International: Bonn, Buenos Aires, Rome, and Barcelona.<sup>[5](#)</sup>

Additionally, the document is divided into the following sections:

1. The World Situation Five Years After Potsdam<sup>[6](#)</sup>
2. The Role of Germany and Europe in the Present Crisis<sup>[7](#)</sup>
3. Korea—A Risky Gamble for Washington<sup>[8](#)</sup>
4. The Political and Military Strength of the United States<sup>[9](#)</sup>



5. Has Germany an Obligation towards the United States? [10](#)

6. The Expellees (“*Die Heimatvertriebenen*”) [11](#)

7. *Weltanschauung* and World Power Politics [12](#) Prospects for the Future [13](#)

Finally, the document purports to have been composed in September of 1950. [14](#)

Such incidentals are far removed, however, from the explosive contents of the document itself. In order to aid in a review of those contents, I have divided the document into different subject headers to illustrate its contemporary significance.

### *1. The Cold War, Europe, and The Third Way*

According to the Madrid Circular, the beginning of the Korean War affords the perfect opportunity “to Germany if she follows a prudent foreign policy; in fact, Germany has already gained many advantages thanks to the present war situation.” [15](#) These “great opportunities” can only be realized, however, by avoiding any “development whereby Europe will be destroyed between the Russian and American millstones.” [16](#) In other words, West German, and hence wider European, foreign policy must simultaneously exploit tensions between the Soviet Russian bloc of the East, and the Anglo-American bloc in the west, while keeping those tensions focused *away* from the European heartland. If this sounds vaguely similar to French and German diplomacy in the wake of the current crisis in the Ukraine, that’s because it is.

But there’s more.

“The aim of German policy, and that of Europe as a whole,” the German Geopolitical Center informs us, “must be to remain neutral in any new world conflict *no matter the circumstances* .” [17](#) What is noteworthy here is the confident tone of the statement, not only formulating a policy position for Germany, but for the whole of Europe, which at this stage of history, was only beginning to form itself into the Common Market. The European monetary union was still decades in the future, and a common European *political* structure of union still remains to be achieved. As will be seen momentarily, the goals of a common customs, monetary, and political union

are all goals of the German Geopolitical Center in Madrid, and thus its sponsoring “Axis International.” Thus, the statement is not mere bravado or wishful thinking; it is *policy*, and the attitude formulating it is one of a brutally cynical *Realpolitik* view of the postwar world.

This cynicism becomes immediately apparent when this policy of neutrality “no matter the circumstances” is explained a little further on:

England and France today are perhaps more dependent on the United States than the still occupied West German Republic.

*Europe, on the one hand, is today in an unenviable strategic position, but, on the other hand, it enjoys the advantage of being the geopolitical center astride the Soviet colossus and the U.S.A. Present circumstances make it therefore necessary for Europe to be on guard against both sides in order to avoid being swallowed up by one of the two colossi. The dollar imperialism is certainly in no way less aggressive or reckless than communism. The British and French, although former “allies” and “victors” feel the impact of that arrogant dollar diplomacy to a greater extent than we Germans whose sympathy they (USA) hope to gain.*

Today Western Europe is relegated to the role of a satellite acting on behalf of America. Schuman in France, and Bevin in England, dance to the tune of the piper in Washington. Europe is being used as the playground for the impudent and shameless dollar diplomacy. *Thanks to their solid political education, middle class and labor in Germany have been able to grasp the whole situation in time .*<sup>18</sup>

There are a number of important and subtle points in this passage:

- 1)the statement notes that Europe, while at that time divided by the Iron Curtain between the Warsaw Pact and the emerging Atlantic-NATO alliance system, was—at least as far as the Western half went—a potential power bloc of its own;
- 2)the passage also is one of the *first* in postwar literature to note that the basis of American power was what it calls “dollar diplomacy,” a phrase which in this case one may take to be a shorthand expression for the instrumentalities of American financial power:

- a) the Federal Reserve, the US sovereign securities markets, the Exchange Stabilization Fund,
  - b) the institutions and mechanisms of international finance established in the wake of the Bretton-Woods agreement, i.e., the IMF and World Bank; and last, but surely not least,
  - c) the American use of some of the recovered Axis plunder from Europe and Asia in the establishment of a mechanism of hidden finance for covert operations against Communism and as a mechanism for financing a long-term technological development,<sup>19</sup> a system of finance which, in its utilization of that Axis plunder, the German Geopolitical Center in Madrid, one of the vital components of the postwar Nazi International, would almost certainly have had at least *some* knowledge of;
- 3) finally, the passage points out that the German population, a mere five years after the war, was still to a great extent under the influence of the Nazi education system, and as such was “able to grasp the whole” geopolitical and diplomatic “situation in time,” a clever and euphemistic generalization for the perception that Nazi indoctrination created the perception that *both* Soviet Communism *and* Western capitalism were antithetical to Europe’s, and Germany’s, best interest. National Socialism, Fascism, was that “third way,” the middle synthesis, of the two antithetical systems.

It is when one begins to contemplate the implications of the fact that the Madrid German Geopolitical Center certainly knew of the vast Axis loot underpinning much of that “dollar diplomacy” in the form of a covert action slush fund against Communism<sup>20</sup> that the cynicism of the document becomes more evident, for that knowledge meant that while American dollars were flowing into Western Europe in the form of American “aid,” some of that aid was in the form of Axis plunder. Thus, the German Geopolitical Center and the long term Nazi postwar policy benefits *twice* from one “investment” in that it profits from that “dollar diplomacy” while simultaneously stokes the fire of resentment for the subservient status it brings to the European powers and their populations.

As a result, the Circular states its first long term foreign policy goal in no uncertain terms:

During the forthcoming months, Germany's foreign policy must be geared to a subtler exploitation of the conflict between the eastern and western blocs. Our aim in the immediate future must be to regain full sovereignty for Western Germany which will eventually result in the restoration of freedom of action to the whole of Europe. With accelerated speed we are approaching the point at which we must liberate Europe from American control. It is up to us to determine the method and the timing. [21](#)

Note that once again regaining of "full sovereignty for Western Germany" is coupled to the idea of a "freedom of action" for "the whole of Europe." In other words, the German Geopolitical Center has seen the reality of the political situation clearly: against the two immense powers of the USA and USSR, traditional European power politics have no place for the simple reason that the European powers individually—Italy, France, Great Britain, and Germany—have neither the economic strength nor the military and strategic depth to compete with them individually.

Additionally, the goal of an "America-free" Europe is enunciated for the first time, and this in a context that seeks to *preclude* any independent French or British rapprochement with Russia:

There is the danger that France or England—perhaps even both jointly—will return to an independent policy. One or the other of these powers might come to an agreement with Russia and, in either case, this would be at the expense of Germany and the United States. Such a possibility must be avoided at all cost. Germany must remain the decisive factor in European politics and it is up to her to give the word at the right time.

German foreign policy must be directed with a view to steering Europe clear from another world conflict. Conditions for such policy are favorable. The European nations long for peace. The self-interests of France and England categorically demand that a new holocaust must be avoided. The interests of the Vatican run along the same lines. Our paramount attention must be devoted to the preservation of German

strength and its native potential (“Erhaltung der deutschen Substanz”).  
[22](#)

In other words, the other two major European powers must have their freedom of action restricted and bound to that of Germany.

And that, of course, is best achieved through some sort of European federation, by binding the economic, and eventually political institutions of Western Europe together. In the context of a European federation, the European train will go where the German locomotive goes.

Noting that “the prevalent mood in every country of Europe is against war, and in England broad masses of the people are convinced that the next war will be one provoked by America,” [23](#) the Madrid Circular then cynically notes that “A war of exhaustion between Russia and America in which Europe could be spared, would automatically result in the upsurge of a third power bloc,” [24](#) namely, a German-led Europe itself. [25](#) In pursuit of the goal of “liberating Europe from America,” the Circular advocates a “conscious policy of neutrality, going hand in hand with close economic cooperation with the East,” a policy which “would, from a long range point of view, supersede a merely pro-Soviet orientation. The former would finally bring about our freedom, while the last would keep us in the status of vassals.” [26](#) Oddly enough, this appears to be precisely the policy that Germany, and hence, Europe, has followed *vis-à-vis* Russia and Asia, in the form of the powerful BRICSA bloc of Russia, China, Brazil, India, and South Africa, since the German reunification in 1992. To this end, the Circular advocates yet another policy that has become a familiar policy of recent French and German governments and indeed, a familiar policy to the wider European Union:

We must not forget that Germany has always considered orientation towards the West as a policy of expediency or one to be pursued only under pressure of circumstances. Such was the case in Napoleon’s time, after 1918, and also after 1945. All of our great national leaders have constantly counseled the long-range policy of close cooperation with the East; thus, Frederick the Great, Count von Stein, Bismarck, von Seeckt, Brockdorff-Rentzau, and, in the past 30 years, all our leading geopoliticians. [27](#)

The pertinent question here is whether the resemblance between current Germano-European policy and that of the Madrid Circular is merely coincidental, or whether the Madrid Circular's policy recommendations are reflective of deeper economic and ideological goals and players.

While the answer to that question remains to be seen in the coming chapters, what is significant in the above list is the mention of von Seeckt. *Generaloberst* <sup>28</sup> Hans Von Seeckt (1866-1936) was the post-World War One head of the small German military permitted by the Versailles Treaty, the *Reichswehr*. This was restricted to an army of no more than 100,000 men, and a small coastal defense navy with capital ships limited to a mere 10,000 tons displacement. The army was further restricted to artillery of not larger than 15cm caliber, and was not allowed to possess tanks or combat aircraft. Von Seeckt, far from seeing this as a limitation, understood it as an opportunity, and drilled the small German Army relentlessly, creating a nucleus thereby of a vastly expanded officer corps which, when conscription was eventually restored, would result in that army becoming the core of a highly competent and professional, and quite large, officer corps thoroughly trained in staff work around which conscripts could be grafted. Von Seeckt also insisted on the secret protocols to the Rapallo Treaty (1922) between the Soviet Union and the Weimar Republic, which allowed German soldiers to train secretly in Russia using the very tanks, aircraft, and heavy artillery not permitted to them under the Versailles Treaty. Under this secret arrangement between the two European pariah states of the time, the Germans built factories for the production of tanks, artillery, and aircraft in the Soviet Union, which provided the weapons to the Russians and Germans training there. It is an irony of this arrangement that many of the German and Russian officers who trained together in the 1920s, faced each other as enemies during Operation Barbarossa. <sup>29</sup>

The mention of von Seeckt is thus highly symbolic, for he represents *the deliberate and early, pre-Nazi era* intention to secretly circumvent any arms limitations imposed on Germany by treaty, a symbolism that could not have been lost to the German leaders reading the post-World War Two Madrid Circular. The policy was carefully followed by post-World War Two West Germany as well, which began various covert rearmaments programs with other "pariah nations" following "the Rapallo Template," including atomic bomb programs with South Africa and Israel, and more recently as we shall

see subsequently, Iran(!) designed to create a German nuclear deterrent via proxy nations that would do the actual development and testing of a weapon, utilizing German technology.<sup>30</sup>

Von Seeckt also symbolizes something else, and that is the extent to which Weimar Germany remained a continuation of the German Empire of Kaiser Wilhelm. Indeed, post-Wilhelmine Germany was but a mirror image of the Kaiser's: the same corporate and military elites held power, only the symbolic head of the regime—the Kaiser—had been changed. Not surprisingly, the Madrid Circular alludes to the persistence of this very same elite after World War Two as well, in yet another of its policy recommendations, one in which the clear long term goal is stated in all its naked Nazi goose-stepping glory:

What Germany needs in the future is not democracy but a system of statecraft similar to that of the Soviet *dictatorship which would enable the political and military elite in Germany to organize the industrial capacity of Europe and the military qualities of the German people* for the revival of the German race and the re-establishment of Europe as the power center in the world.<sup>31</sup>

The question of continuity between the Madrid Circular's assertions and the actual realities of postwar Europe has once again resurfaced in yet another form: are there any indicators that that elite is continuous from the Kaiser, down through the Weimar and Nazi periods, to the post-war (West) German Federal Republic (*Bundesrepublik Deutschland*)? That answer to that question, and to other questions of ideological, policy, economic, and conceptual continuity must await future chapters, but for the present, it is to be noted that the Madrid Circular simply assumes it to be the case. The assertion in the statement is subtle, but nonetheless very clear: the German political and military elite has continued after the war.

## *2. More Madrid Circular Cynicism: The Korean War, The British Problematic, The American Economy and Military*

As if all of this generalization was not enough, the document begins to show not only the true depths of its cynicism but its true subtlety when it begins to dwell on specifics, in this case, the postwar Great Britain and the



unwinding of the British Empire in the context of the emerging Korean War. “There are,” notes the Circular,

indications that the British have supported United States policy in Korea only halfheartedly. If the Americans are thrown out of Korea, then British prestige in the whole of Asia would suffer; but even if the Yankees should prove victorious, then the hatred of all Asia would be roused with the same intensity against the British as against the Americans. The British view with great distaste the clumsy hand of Washington meddling in their Asiatic affairs. London remembers with great bitterness the noisy pro-Indian propaganda carried on in the United States during the war. London realizes that not Russia but the United States must be blamed as the gravedigger of the British Empire. The United States entered the world war supposedly to save England, but worked with great zeal to junk the British Empire. [32](#)

It does not take much reading between the lines to understand that what the Circular is proposing is to exploit disenchantment among the British elite at the policies advocated during and immediately after the Second World War by the Roosevelt Administration. The goal is equally obvious, though not explicitly stated: this exploitation of the grievances of the British oligarchy would be for the purpose of enticing Great Britain to abandon its centuries’ long diplomatic policy of maintaining its sovereignty aloof from continental politics and entanglements, unless the European balance of power was so fundamentally altered as to endanger British national security. In this case, the circular is not-so-subtly pointing out that the real potential threat to Britain came from its former colony across the Atlantic. [33](#)

With similar analytical precision, one heavy with implications given the Circular’s later vague reference to exploiting Islam and to asymmetric warfare, the Circular points out that the American military, while technologically formidable, has an Achilles’ heel, in that its very technological prowess means that “its armed forces are limited and extremely expensive.” [34](#) A little further on, this assessment is buttressed with some typical Nazi arrogance, coupled with a penetrating diagnosis of America’s inability to sustain long term warfare due to lack of popular



support, and its reliance upon alliances formed by “dollar diplomacy” rather than shared economic and geopolitical interests:

*Although they can throw billions of dollars around, they do not possess top-notch statesmen, planners, military leaders, scientists, nor a people willing to make sacrifices and capable of accomplishing great historic feats. They do not even have an attractive ideal. The crux of American miscalculation is the belief that allies can be bought with dollars. Alliances are not cemented with ideologies but rest squarely on common interests. Alliances too are respected as long as interests remain mutual. But America’s interests do not run parallel with those of Asia or Europe, not even with those of Britain or Latin America.* <sup>35</sup>

While one can argue (as if it needed any argument) that Nazism is hardly “an attractive ideal,” the remainder of the analysis is again eerily prescient of contemporary conditions, as American actions on the world stage increasingly alienate allies, and as the recent Ukrainian-Russian sanctions crisis evidences: Europe has very little to gain, and much to lose, by American confrontation with Russia, especially since so much of Europe’s energy supply comes from Russia, and so much of its trade is directed not toward the USA, but to Asia.

But contemporary contexts aside, what did the statement mean for the Madrid German Geopolitical Center in September of 1950? For the Madrid Circular, it meant that West Germany’s position vis-à-vis the United States was quite convenient, as “The Yankees are willing to pay a high price for our help.” Indeed, as I have noted elsewhere, a scant four years later, Nazis in the service of the CIA and General Reinhard Gehlen would aid Gamel Abdul Nasser’s overthrow of King Farouk and kick the British and French interests out of Egypt. <sup>36</sup> That willingness to “pay a high price for our help,” moreover, was made clear to the Madrid German Geopolitical Center was made clear “from all confidential reports which we have obtained from circles close to the American High Commissioner.” <sup>37</sup> This is a rather stunning admission, for in 1950, the American High Commissioner for Germany was none other than John J. McCloy (1895-1989), who served in that capacity from 1949 to 1952. McCloy, it will also be recalled, pardoned over 70,000 Nazis (allowing them entry into postwar West German

politics), was the American lawyer for I.G. Farben before the war, shared Hitler's box in that capacity during the 1936 Berlin Olympics, and was also a member of the Warren Commission investigating (or rather, covering up) the assassination of President John F. Kennedy.<sup>38</sup> In other words, the Madrid Circular is stating, clearly and unequivocally, that it was gaining intelligence from the offices of John J. McCloy, American High Commissioner for Germany, who in turn had deep and extensive connections to the massive German chemicals and armaments combine, I.G. Farben!

### *3. The Five Years Since Potsdam and the Post-War Nazi Diplomatic Offensive*

#### *a. The Postwar Nazi Propaganda Offensive*

It is when the Madrid Circular turns specifically to its chief concern, Germany, that some of its most amazing assertions are made, assertions that, on first reading, seem ludicrous but which upon a little reflection seem to be confirmed by its confident analysis. Here one must spend some time unpacking these assertions.

Germany has emerged from the world war as the chief beneficiary. That is our great asset in the ledger of the 5-year period since Potsdam. For the first time in the history of nations it has been proven that clever propaganda, especially when it is camouflaged and directed through other channels, accomplished far more than the mightiest army or the best diplomatic service of a smoothly-functioning state... We are not wholly innocent in the shift of America's post-war policy. *For us the war has never stopped and, as is well known, in war every ruse is permissible. We cannot repeat too often that Germany never has ceased to carry on the war with political weapons and propaganda, with economic sabotage and other means. In order to protect Germany against total destruction of its military and economic potentials, as planned at Yalta, we blueprinted a bold plan and created a flexible and smoothly-working organization which, at the end of the war, provided the precondition for all the gains that by necessity emerged for Germany out of the chaos of the postwar period....* Today, however,

five years after Potsdam, we can look back with pride on our accomplishments.<sup>[39](#)</sup>

Observe very carefully what is being asserted here:

- 1)The war “never stopped” for the Nazis, a statement oddly condign to the fact that, as I pointed out in *The Nazi International*, there was no representative of the Nazi Party signing at any of the German surrenders in 1945, nor was there any declaration that the Nazi Party was declaring itself a criminal organization and signing itself out of existence, a codicil of the surrender instruments that seems curiously and oddly missing, given the fact that the Allies—France, Great Britain, the USA and USSR and smaller powers—could have insisted upon the presence of a Nazi Party representative and on such a codicil. In this respect, therefore, the assertions of the Madrid Circular seem oddly corroborated by the circumstances of the German surrender(s) itself/ themselves;<sup>[40](#)</sup>
- 2)Additionally, the Circular is also asserting that, the capitulation of the German *Wehrmacht* notwithstanding, for the German *state* (Reich) the war did *not* stop. Again, this seems like the height of lunacy on first glance, for in 1950, Germany was still digging out from the rubble. Yet, the assertion is again very oddly corroborated by the circumstances of the two German surrenders in Rheims, France, on May 7, 1945, and again on May 8, 1945, in Berlin, for at both surrenders, only representatives of the German military signed any surrender document. There was *no* signatory for the Nazi Party, nor was there any signatory for the Reich Government itself, at that time headed by Grand Admiral Karl Dönitz, Hitler’s designated and official successor as *Reichpräsident*. The only signatories of those surrender instruments were General Alfred Jodl(at the Rheims surrender), and Field Marshal Keitel, Admiral von Friedeburg, and General Stumpff at the Berlin ceremony, each representing the three service branches of the German *Wehrmacht*.<sup>[41](#)</sup>
- 3)Finally, and most significantly, the Circular is taking credit for the derailment of the Morgenthau Plan for postwar Germany, approved by President Roosevelt, and subsequently approved by the other two principal Allied Powers, Great Britain and the Soviet Union at the

Yalta conference of 1944. This plan, with which we shall be subsequently concerned, would have completely de-industrialized Germany, reduced its population—by what means is unclear—by over fifty percent, and split the country permanently into three smaller nations.

*b. Managing the Collapse of the Reich*

But these wild though strangely corroborated assertions are followed up with even more sweeping claims:

Future historians will one day reveal the great vision with which *responsible leaders of the Third Reich created with confident determination those measures which subsequently smashed the united front of the enemy and made Germany again a much-desired partner in a new politico-strategic alliance....* By no means did the political and military leadership of the Third Reich skid into the catastrophe in an irrational manner as so many blockheads and ignoramuses often tell us. *The various phases and consequences of the so-called “collapse” (“Zusammenbruch”) were thoroughly studied and planned by the most capable experts (“faehigsten Koepfen”). Nothing occurred by chance; everything was carefully planned.* The result of this planning was that, already a few months after Potsdam, the conditions of the victors went on the rocks. [42](#)

To the above list of assertions one may now add two more:

- 4)The postwar fracturing of the alliance of France, Great Britain, the USA, and USSR was to some extent aided and exacerbated by the activities of the postwar Nazi International; and,
- 5)The phases of the immanent collapse of the Third Reich in the final months of the war—one may assume from the German defeat at Stalingrad in early 1943—was studied and “carefully planned,” presumably with a view to mitigating as much long-term damage to German heavy industry and military potential as possible. This study may have been, and in this author’s opinion, probably was conducted in conjunction with the strategic evacuation plans that

Martin Bormann and other top Nazis began to put into play after the Stalingrad disaster.<sup>43</sup>

*c. Utilizing the Pro-German American Business and Financial Elite*

In addition to this “management of the phases of collapse,” the Madrid Circular also places these statements in the context of an indicator of how that management—and eventual recovery—was to be accomplished: by the fullest utilization of the pro-German business connections that had existed before, and even during, the Second World War:

The decision for a Western or Eastern orientation was influenced by factors of Realpolitik. In the light of conditions prevailing in 1945, we could expect from only the West—or rather from the United States—moderate conditions for an armistice, measure of relief, and a sympathetic understanding. *Only in America did there exist at that time a small but influential group who had not fallen victim to the hate and revenge outcry of the Jewish triumvirate Rosenfeld-Morgenthau-Baruch, but had maintained in a well-concealed but consistent manner throughout the war its sympathy for Germany.*<sup>44</sup>

In a certain sense, this slurring reference to the Roosevelt administration as the “Rosenfeld-Morgenthau-Baruch” triumvirate speaks to the possible authenticity of the Circular’s origins within the postwar Nazi high cabal. More importantly, while volumes of material have been written about the pre-war, wartime, and postwar financial connections between American business and Nazism,<sup>45</sup> these studies tend not to view the connections between American and German business in any sort of connection with the emergence of the European Union. As we shall discover in this book, there is ample reason to do so.

In any case, the Circular then goes on to make, in this context, yet another astonishing assertion:

In order to bring the Americans back to reason and away from Potsdam, we organized chaotic conditions in a thorough and systematic manner (“haben wir mit gruendlicher Systematik das Chaos

organisiert”). It was a subtle political resistance, seemingly unorganized and seldom visible, but nonetheless having a deadly effect. The peasants were delivering almost next to nothing to the cities; no coal was brought up from the pits, the wheels of industry were not turning, the people came near to starvation; the monetary systems were disintegrating—there remained nothing for the Yankees to do but give in and scrap the Potsdam program....

As a consequence, not only did the front of our enemies break wide apart, but the Soviets too were forced to abandon their mad program of destruction in Eastern Germany.... This could only have been achieved by the leaders of the Third Reich *through superb planning in the realm of psychological and political warfare within the United States before and even during the war.*<sup>46</sup>

There are two ways to read these assertions: either the postwar collapse of the German infrastructure and commercial activity was entirely a consequence of the collapse of the Reich under the Allied onslaught, and the postwar Nazi International is simply laying claim to having orchestrated it, or the collapse was, as the document asserts, to some extent organized and exacerbated by deliberate postwar covert activity of the surviving Party organizations.

Given the organization of the ratline activity of these organizations to aid Nazis, Fascists, Utashi, Belgian Rexists and other national fascist groups to escape Europe, I am inclined to take the second view, that the postwar collapse of the German economy in all the Allied occupation zones was to some extent aided and exacerbated by these groups. The result, as the document itself avers, was the abandonment of the Yalta-Potsdam program of the complete de-industrialization of Germany, for as the tensions between the western Allies and the Soviets ratcheted up, both sides saw in the industrial potential of Germany a useful ally against the other. So successful was this program that the Circular itself observes that the crack-up of the wartime alliance and the grant of limited sovereignty to West Germany was accomplished fully ten to fifteen years ahead of the schedule that the Nazi leadership had predicted.<sup>47</sup>

More importantly, the Circular suggests something else, namely, that this plan was accomplished by psychological operations inside the USA itself,

doubtless utilizing the very same business connections that it confidently states earlier that it relied upon. As will be seen eventually, this too is not very wide of the actual mark, yet another indicator that the Circular may indeed be an authentic document.

*d. The Appearance of the Lack of Organization*

According to the Circular, one key feature enabling the covert management of this “collapse” and “recovery” was the “deliberate” collapse of the Nazi Party itself, and the sudden postwar emergence of “aid” societies, often in the form of societies whose names—Evangelical Relief Society and so on—would seem to have nothing to do with National Socialism. The other aspect of this program was the reemergence of the political parties that had been banned by the Nazi state before the war, thoroughly infiltrated by the Nazis, of course:

Even after the collapse, the National Socialist Party continued to work in a camouflaged way (“getarnt”) in dozens of seemingly innocuous societies and groups, in order to keep alive and undiluted the national outlook of the German people. In the same way as many small brooks go toward making a mighty stream, the various nationalistic and radical groups in the Zonen-Reich carried out, almost without exception, worth-while and powerful propaganda....The more diverse and unconnected these groups appeared on the surface, the less they were apt to arouse suspicion (of the Occupying authorities) that they were directed and influenced by a central organization.<sup>[48](#)</sup>

In other words, behind a plethora of small, seemingly harmless relief, aid, and charity organizations, and even behind the re-emergence of less radicalized political parties such as the Christian Democratic Union of Social Democrats, lurked the Nazi Party, which had driven itself underground and, like a secret society cum intelligence organization, was coordinating all the activity. This technique, incidentally, we shall encounter again, in a very *different* context.

*4. Dollar Diplomacy, Spies, and an “Anti-Dollar Diplomacy” Bloc*



### *a. The Predicted Failure of American Policy*

Some of the more prescient long-range predictions the German Geopolitical Center makes in its 1950 Madrid Circular regard the strategic implications and consequences of the policies that the USA embarked upon in the immediate postwar period, consequences that, in the detailed exposition of the Circular, seem all too contemporary, as the USA encounters increasing opposition from its European Allies, attempts to “pivot to the Pacific,” and is dealing with a rash of destabilizing activities in the Muslim world. The Circular contextualizes these claims within a general framework:

After the failure of their amateurish policies in Asia, the Americans will one day experience a far more painful and devastating smashup in Europe. *The outcome will be as we predicted as long ago as 1944: they will rouse the whole world against them.* <sup>49</sup>

To put it in a somewhat more historical context, the Circular is maintaining that the ultimate outcome of American “dollar diplomacy,” an outcome it maintains the Nazi leadership predicted in 1944, would be no more successful than the Most Serene Republic of Venice’s “ducat diplomacy” centuries before, for then too, “ducat diplomacy” led to a general corruption and a diplomatic duplicity and heavy-handedness that eventually led the whole of Europe to form a coalition for the permanent destruction of Venice in the War of the League of Cambrai. <sup>50</sup>

Indeed, during this prolonged and “extended transitory period” of “profound change in international power relations,” the Circular offers the observation that “it should prove possible for Germany to build up *a new political bloc out of Europe, Africa, and Latin America.*” <sup>51</sup> Again, one is struck by the prescience of the Circular, for while contemporary Germany is still very much the central and most important component of the European Union, and not a formal member of the BRICSA bloc—Brazil, Russia, India, China, and South Africa—Germany is nonetheless a large trading partner with the two largest BRICSA powers, Russia and China, and is on friendly terms with the other three. It is, in a sense, an informal “member-observer” within that bloc. More importantly, the Circular offers this insight about the creation of a “new political bloc” in the context of an “anti-dollar



diplomacy” alliance, which the BRICSA bloc is increasingly turning out to be. And all this, again, in a document allegedly composed in 1950, and first published in 1953!

But Nazis are Nazis, after all, and there is no limit to the degree of their own grandiosity and duplicity, which the Circular spells out in no uncertain terms:

It would then depend entirely on our diplomatic and propaganda finesses when and how we would take over an America enfeebled by its foreign and domestic policies. Such a plan would have the advantage of preventing a third world war fought between United States capitalism and the Soviet bloc—a war which would have the most destructive consequences for the Western world. Such a design would still guarantee for some time the preservation of the resources of the Western world and then, greatly strengthened, we will enter—under Germanic leadership—the phase of a final showdown, between the white race and the Slavic world. In the event of such a showdown, we must endeavor to bring to our side the Arab bloc and as many of the Asiatic peoples as possible. Germany is in the fortunate position of not having aroused the hatred of Asia. There we can step in as the leading spokesman for the underdog.<sup>52</sup>

In other words, the Circular is proposing that the ultimate goals of the Nazi International are

- 1)The takeover of the United States by a covert cooption and *coup d’etat* from within, implying that it has an extensive covert network within that country to do so; and,
- 2)The subsequent use of American military and economic strength to for a final annihilating showdown with “the Slavic world,” i.e., Russia. All talk of reconciliation and an eastward orientation are simply a kind of *masque* and deception operation, true enough of the coordination of European-German-Nazi International interests in the mid-term, but not true over the ultimate range of its goals.

One way that the Circular proposes to accomplish this silent *coup* is by “economic difficulties” that “will one day plunge the United States down from its present dizzy heights.” This type of widespread “catastrophe can be brought about through crafty manipulations and through artificially engendered crises,” [53](#) crises made all the easier to orchestrate if such a postwar Nazi International knew of, and had some influence within (as it almost certainly did) the hidden system of finance created by the USA to fund its anti-Communist covert operations and secret research projects. [54](#)

### *b. The Exploitation of Islam*

Just how all this grandiose vision is to be achieved is itself quite remarkable and prescient, for the Circular makes it clear that the keystone in the arch of its plans is the long-term destabilization of Anglo-American interests in the Middle East, thereby threatening its oil and petroleum lifelines:

The tenacious work of enlightenment carried out by Germany and Italy in the Arab world is now bearing fruit. Anti-British and anti-American resentment is gaining momentum in the entire Middle East. Britain will not long be able to keep its hold on the Suez Canal, [55](#) nor maintain her influence in Iran and the rest of the Middle East. The coming revolt of the Arab world will prove another setback for the amateurish world planners in Washington. [56](#)

In a previous book, *The Nazi International*, I have alluded to the fact that Nazi Germany aided and sponsored contacts with radicalized Islamicist-terrorist groups, and even fostered their creation.

As we shall discover in this book, however, the whole idea of *jihad* is as much a creation of the German elites and oligarchs as it is a Muslim one. Thus, while the Circular in 1950 predicts the end of Anglo-American influence in Iran, the CIA, at the instigation and influence of the British MI-6, overthrew the government of Mohammed Mossadegh and installed the regime of Shah Reza Pahlavi, thus ending—for a period at least—the Iranian challenge to Anglo-American dominance of that country’s vast oil resources. As we shall discover in subsequent chapters, however, with the regime of the Ayatollahs and their ongoing controversial nuclear program,

there is yet another unpleasant, and virtually unknown, German connection. *Jihad*, in other words, is but another tool in the Nazi International's arsenal.

### *c. The Pivot to Asia*

The list of the Madrid German Geopolitical Center's prescience of the wider pattern of alliances and events of subsequent decades only grows, for the Circular also advocates a policy of a German "pivot to Asia":

Germany's industry will regain its previous position: *the markets in East and Southeast Europe, in Latin America and in Africa. China and the rest of Southeast Asia offer us a great future. There we can eliminate the British and Americans from competition, especially if we conduct our negotiations with the Soviets in a smart way. Our increasing economic power and ability to elbow our way politically, must be employed alternately. A prudent and undeviating policy will make it possible to establish some day (sic) a new political order in the world which will supersede the present colossi—the United States and the U.S.S.R.* [57](#)

Notice that the Circular is essentially advocating the creation of what amounts to the current BRICSA trading bloc of nations: Brazil(Latin America), Russia, India (Southeast Asia), China, and South Africa (Africa), as a means for the expansion of German trade and hence, for the expansion of German heavy industry, the combustion engine that has driven German military power throughout the nineteenth and twentieth centuries. Again, one is confronted in such statements by a stark choice of alternatives: either the Circular has an uncanny and unrealistic ability to predict long-term developments, or its accuracy is due to the positioning of carefully placed corporate and political *agents provocateur* within the postwar world, a positioning that would be required, and easily achieved, given (1) the German-American business contacts prior to and during World War Two, and (2) the probable knowledge of and participation in the postwar hidden system of finance, established by President Truman in 1947, [58](#) of the Axis elites in that system.

### *d. Voiding NATO by American Aggression*

One of the most stunningly prescient observations and techniques advocated by the Madrid Circular to void the influence of the United States within the Atlantic system of alliances—NATO—is to *rely* upon American aggression and unipolarism to do so:

All these possibilities would come to naught if a new world war were to lay Europe waste. It must therefore be our supreme duty to place ourselves in the vanguard of the struggle to keep Europe out of any future war. If we succeed in this, we will surely gain the trust of the people and undisputed leadership in Europe, not excluding Britain. In such a roundabout way we would be able to establish the foundation for future world leadership. The world is longing today for the millennium. In the role of champion for peace, we would gain stature in world public opinion and create for ourselves an unshakable moral position. The propaganda against German “militarism” would subside entirely, old charges would be forgotten and Europe would then be willing to follow German leadership. Such a policy can be pursued successfully, especially in view of the present attitude of the Vatican. The Pope is a realist in politics...and knows well enough that, in the age of the Atom bomb, there is too much at stake for the Church and for Europe as a whole.

*The Atlantic partners will always be able to find an opportunity to evade their obligations by pointing out that the provocative behavior of the United States has foolishly brought about a conflict for which the Russians cannot be charged as the aggressor and, therefore, all contractual obligations to help become void.* [59](#)

Once again, the Circular has proven to be oddly accurate in its forecasting of events and the techniques by which Europe in general and Germany in particular would respond to American unipolarism, for it is not only *predicting the emergence of that unipolar attitude*, it is providing the mechanism for Europe’s withdrawal from it: aggressive activity on the part of the United States would void any treaty obligations of the European powers under the NATO system, a fact brought home in recent months by Germany’s resistance to American actions in the Ukraine, a resistance that has included publication within the German media of articles challenging and falsifying American claims of Russian invasions of the Eastern

Ukraine, complete with German spy satellite photos to drive the point home.

### *5. The First Sensational Statement: The Nazi Plan for a United Europe*

As if all of this were not enough to convince one of the extraordinary importance of the Madrid Circular, the document makes two final and almost unbelievable assertions. The first of these is not only that the idea of a “United Europe” was a Nazi goal, but also that this was a policy goal of certain circles in Washington, D.C. itself after the war. The objective of this policy, however, was to create a United Europe, with Germany as the locomotive, precisely in order to create a bulwark against Communism. [60](#) However, this United Europe Plan, and its NATO corollary, was as much about hedging in German power, as it was about confronting Russian power. [61](#) This, however, was fully known to the Madrid German Geopolitical Center, which saw in the creation of such a scheme a mechanism whereby Germany could fulfill ambitions that went back to the time of Wilhelm II’s *Kaiserreich*, as we shall discover in subsequent pages.

### *6. The Explosive Assertion Regarding the Bomb Plot against Hitler in July 1944*

No one can read the bizarre political testament that is the Madrid Circular and come away with anything less than a queasy feeling of disgust, horror, and even a kind of unwilling admiration for the audacious accuracy of its predictions and goals. But one thing in particular within its tapestry of policies, goals, techniques, assertions and claims, more than any other, will shake the its readers’ perceptions to its very foundations, challenging all the carefully orchestrated bland statements and stories of “officially sanctioned” historiography.

These assertions concern the bomb plot assassination attempt against Adolf Hitler of July 20, 1944, a plot that was led by Colonel Klaus Graf(Count) von Stauffenberg, and a plot moreover, we are told, that failed in its objective of killing Adolf Hitler.

If that was its real objective...

Here, as elsewhere, the Madrid Circular stuns and shocks, for according to it, the elimination of Hitler was not the real purpose of the plot, nor of its

aftermath:

It was most difficult for the German press to deal delicately with the events of July 20, 1944. The less these events are discussed, the better it will be for Germany's future. A split among the German people on this question would prove disastrous. *There are many angles which obviously cannot as yet be discussed openly. **There were thousands who had reason, or were even ordered to protect themselves by camouflaging as "anti-Nazis" ("Hitlergegner"). Persons who were at that time reported as having been shot are still among the living today.*** Let us also bear in mind that Dr. Ley's statement about the "blue-blooded swine" served the definite purpose of deceiving the enemy. Our leaders must see to it that the ever-recurring discussions about the events of the 20<sup>th</sup> of July be either stopped or, if possible, passed over lightly. Previous directives remained valid; no information whatsoever should be revealed about the background of that affair. [62](#)

If one reads this passage carefully, it makes two distinct assertions that raises many conundrums and implications for the whole bomb plot itself:

- 1)The anti-Hitler resistance was, to some extent, the creation of the Nazi hierarchy, as a massive deception and disinformation scheme designed to mislead Allied and Soviet intelligence; [63](#) and,
- 2)The *aftermath* of the July Bomb plot, with its many thousands of executions, was *itself* a disinformation *masque*, designed to deceive Allied and Soviet intelligence by "killing" prominent Nazi leadership. After all, if General "X" or "Minister Y" had been executed, why bother looking for them after the war?

These two possibilities raise a disturbing third one: that the Bomb plot itself was part of the massive deception operation, leading to more disturbing questions: was Hitler actually killed? Or was it even the real Hitler who was present on July 20, 1944 at the Rastenburg *Führerhauptquartier*? [64](#)

Howsoever one answers these questions, it is clear that the Madrid Circular is implying that the Bomb Plot of 1944 was either a deliberately conceived operation from start to finish, or, if it was a genuine act of the

German resistance, that it was used by the Nazi leadership as a crisis of opportunity to “execute” several perpetrators and provide a convenient cover for “new identities” and usefulness to the postwar Nazi International after the end of the war.

And either way one interprets it, one is left with the *eau de Cologne de Bormann* wafting through the air of the whole affair.

### *C. Conclusions and Indications*

So what are the indications of the Madrid Circular? How might one summarize its bizarre and grandiose contents? What specific things must one look for to verify its breathtaking assertions? When one piles it all up, one is left with these propositions:

- 1)The idea for the creation of a “United Europe” was the brainchild both of Nazi elites, and certain circles in Washington D.C., which parties had very different motivations for the creation of such a bloc:
  - a)On the American side, the idea was advanced both as a bulwark against the Soviet bloc, and as a mechanism for the containment of German power and the prevention of a German hegemony in Europe;
  - b)on the Nazi side, the idea was seen as an opportunity for Germany to achieve such a European hegemony by political and economic, rather than military, means;
- 2)For the Nazi International and its Madrid German Geopolitical Center, the restoration of German dominance of Europe was to be accomplished in three broad phases:
  - a)In the short term to intermediate phase, a pro-Western orientation, during which a variety of small “false front” organizations, including various political parties, would be used to advance basic Nazi and Fascist goals within Europe, inclusive of the creation of the European federation itself;
  - b)In the intermediary phase, the build-up of German and European ties with Russia, China, southeast Asia, Africa, and Latin America, with the goal of expanding German and European trade with those regions, and hence, building up European, and

particularly German, heavy industry and its military potential, in a Germano-European “pivot to Asia”;

c) In the final phase, the covert cooption of the United States by an implied *coup d’etat* and engineered economic crises against “dollar diplomacy,” with a view to forcing a world-wide revolt against the USA in a kind of War of the League of Cambrai moment, and subsequently, after control over America is obtained, by utilizing American power for a final confrontation with the East in general and Russia in particular;

3) All of this was in turn to be achieved by relying upon

a) Nazi ties with the Muslim world to create destabilizing effects in the oil-rich Middle East, threatening the Anglo-American energy life-line, utilizing Muslim concepts such as *jihad* to do so; and

b) German-American business contacts and relationships to challenge and overturn the Morgenthau plan for the deindustrialization of postwar Germany and break up the Anglo-American-Soviet wartime alliance and to exacerbate East-West tensions in the Cold War, creating maneuvering room for Germany.

If one looks at these three components and their sub-components, one has the template and structure of the subsequent chapters of this book. Detailed examination of each of them will thus tend to confirm and corroborate, or falsify, the claims of the Madrid Circular.

Unfortunately, it may be stated, here and now, that most if not all of its grandiose and sweeping assertions can be corroborated. But the devil—or in this case, the Nazi, and even sometimes Communist, devil—is in the details.

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1 Sergei Glazyev, “Putin’s Economic Advisor Warns WW3 Has Begun, States Russia Must Defeat US Nazism to Solve Ukranian Crisis!,” <http://www.silverdoctors.com/putins-economic-advisor-warns-ww3-has->



[begun-states-russia-must-defeat-us-nazism-to-solve-ukranian-crisis/](#) See also <http://archive.larouchepac.com/node/31157> . See also Sergei Glazyev, “On Eurofascism,” <http://www.larouchepub.com/other/2014/4126glazyev.html>

[2](#) See my *The Nazi International* (Kempton, Illinois: Adventures Unlimited Press, 2009), pp. 1-12.

[3](#) T.H. Tetens, *Germany Plots with the Kremlin* (New York: Henry Schuma, 1953), p. 209.

[4](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 232.

[5](#) It should be recalled that Barcelona was the site of the alleged “international terrorists’ ‘convention’” sponsored in the early 1970s by former SS Lt. Col. Otto Skorzeny. See my *Nazi International* (Kempton, Illinois: Adventures Unlimited Press, 2008), pp. 199-200.

[6](#) T.H. Tetens, op. cit., p. 209.

[7](#) Ibid., p. 210.

[8](#) Ibid., p. 213.

[9](#) Ibid., p. 215.

[10](#) Ibid., p. 216.

[11](#) Ibid., p. 220.

[12](#) Ibid., p. 221. *Weltanschauung* is of course the German for “world view”.

[13](#) Ibid., p. 228.

[14](#) Ibid., p. 232.

[15](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 210.

[16](#) Ibid.

[17](#) Ibid., emphasis added.

[18](#) T.H. Tetens, *Germany Plots with the Kremlin*. Pp. 210-211 emphasis added.

[19](#) See my books, *Covert Wars and Breakaway Civilizations* (Kempton, Illinois: Adventures Unlimited Press, 2013), pp. ix-xxvii, and *Covert Wars and the Clash of Civilizations* (Kempton, Illinois: Adventures Unlimited Press, 2013), pp. vii-xxx.

[20](#) See my *Covert Wars and Breakaway Civilizations*, pp. 8-22.

[21](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 211.

[22](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 211.

[23](#) *Ibid.*, p. 212.

[24](#) *Ibid.*

[25](#) Once again, the Circular is weirdly aligned with contemporary geopolitical realities, especially in the wake of the Ukrainian crisis, with a nervous France and Germany trying to fend off further American aggravation of tensions with Russia, while at the same time, quietly backing economic sanctions. These observations prompt another: *if* one accepts, for the sake of argument, that there is indeed some hidden “fascist hand” in the formation of the European Union, then this factor would also impact the policy of Washington and Moscow. As I’ve observed in many numerous blogs and videos, the American base closures in Western Europe and deployment of troops eastward into former nations of the Warsaw Pact such as Poland and Romania may be a response to *prevent* the break of Western Europe from the Washington Axis as much as it is a response to Russia. Such deployments allows easy US interdiction of Russian energy supplies to Europe, as well as easy interdiction of European-Russian and European-Asian trade. The risk, however, is that it also places American military assets in the hot zone between the armed forces of Europe and those of Russia, in the old post-Versailles *cordon sanitaire* of the Baltic States, Poland, and Romania.

[26](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 212. The Circular also notes that “Our present policy must be to overcome the consequences of our previous mistakes. An emasculated Germany should never allow itself to be used as a spearhead in an attack against the Russian colossus. This would be an insane act (*Wahnsinnsexperiment*) and would spell our final doom, whereas Germany as the exponent of European neutrality could gain far-reaching concessions from the Soviets.” (p. 213) The obvious reference here is to Hitler’s failed anti-Soviet campaign, *Unternehmung Barbarossa* (Operation Barbarossa). What few people realize, however, is that Adolf Hitler was actually on the verge both of military as well as *political* success in the early months of that campaign. Louis Kilzer, in his book *Hitler’s Traitor: Martin Bormann and the Defeat of the Reich*, recalls the offer of peace that Stalin extended to Hitler in September of 1941, in the

wake of the crushing annihilation of the vast majority of the Red Army's strength by the *Wehrmacht* in the opening weeks of the campaign:

“On October 7, Stalin told (Marshal) Zhukov that Russia could not win the war. Secret negotiations between the two powers would begin on a compromise peace. Stalin was prepared from the start to cede the Baltic States, Byelorussia, Moldavia, and part of the Ukraine. Stalin, Beria, and Molotov called in the Bulgarian ambassador to explain their offer and ask for Bulgaria to be the intermediary to the Führer. Only Molotov did any talking for the Soviet side.

“Hitler had won. He could have his lebensraum. He would have all the resources he needed to prosecute the war. He would control the Baltic. If he accepted what Stalin offered, Britain would surely not be able to continue the war.

“Why did Hitler not take victory? The whole truth may never be known. Ribbentrop said that Hitler refused the offer, sent through King Boris of Bulgaria, ‘because he was convinced he could stand the immediate test and emerge victorious in the end.’

“In general, it appears that Hitler became a victim of his success.” (Kilzer, op. cit. pp. 109-110).

[27](#) T.H. Tetens, *Germany Plots with the Kremlin*, pp. 212-213.

[28](#) Generaloberst, i.e., Colonel-General, the equivalent of a four star general. The German ranking system of that time until the end of the war was as follows: Generalmajor(1 star, the equivalent of an American Brigadier General), Generalleutnant (2 stars, the equivalent of an American Major General), General der Kavalerie/Artillerie/Infanterie/Panzertruppe (3 stars, the equivalent of an American Lieutenant General), Generaloberst (4 stars, Colonel-General or equivalent of an American General), Generalfeldmarschal(Field Marshal, equivalent of General of the Army).

[29](#) In this respect, it is also worth noting that Von Seeckt was also ultimately responsible for the domestic spying program of the German Army on various right-wing and left-wing political groups, the very same program that ultimately saw Adolf Hitler emplaced *as one such spy* to monitor the doings of a young political party: the National Socialist Party.

[30](#) For this virtually unknown aspect of current German nuclear capability, see Barbara Rogers and Zdenek Červenka, *The Nuclear Axis*:

*The Secret Collaboration Between West Germany and South Africa* (New York: New York Times Books, 1978).

[31](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 213, emphasis added.

[32](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 214.

[33](#) The Circular also makes another interesting statement regarding the Korean War: “The motives for the American adventure in Korea are still shrouded in mystery, but this much is known: Washington waited long for a good opportunity to put its economy on a war footing and to accelerate her mobilization with full speed. The effects of this step on world economy and its political consequences become clearer and clearer day by day: in the course of total mobilization for war, not much will be left of ‘democracy.’” (Tetens, op. cit., p. 216) While the motivations may have been opaque at that time, as I indicated in my first book dealing with an alternative history of the Nazi period, *Reich of the Black Sun*, there is highly suggestive evidence that the atom bomb project of Imperial Japan, as well as Nazi Germany, was much further along than the postwar Allied Legend would allow. As I indicated there, this bomb program, according to the research of Robert Wilcox, was centered upon the Chosin Reservoir in northern Korea, thus providing a hidden intelligence context and agenda behind MacArthur’s Inchon landing and subsequent march into the north, and defeat at the Reservoir. The invasion, in other words, may have been an attempt to (1) learn the exact state of Japanese nuclear research, and (2) to prevent that research from falling into the hands and benefitting the nuclear programs of Mao’s China and Stalin’s Russia.

[34](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 215.

[35](#) T.H. Tetens, *Germany Plots with the Kremlin*, pp. 215-216, emphasis added.

[36](#) See my *Nazi International* (Kempton, Illinois: Adventures Unlimited Press, 2008), pp. 191-197, and Christopher Simpson, *Blowback: The First Full Account of America’s Recruitment of Nazis, and its Disastrous Effect on our Domestic and Foreign Policy* (New York: Collier Books, 1988), pp.248-252.

[37](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 216.

[38](#) See my *Nazi International*, and *LBJ and the Conspiracy to Kill Kennedy: A Coalescence of Interests* (Kempton, Illinois: Adventures Unlimited, 2010).

[39](#) T.H. Tetens, *Germany Plots with the Kremlin*, pp. 216-217.

[40](#) See my *Nazi International*, pp.1-12.

[41](#) See my *Nazi International*, pp. 6-12+.

[42](#) T.H. Tetens, *Germany Plots with the Kremlin*, pp. 217-218, emphasis added.

[43](#) See my *Nazi International*, pp. 63-83.

[44](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 218, emphasis added.

[45](#) For these connections, see, for example, the following works: Joseph Borkin, *The Crime and Punishment of I.G. Farben: The Unholy Alliance Between Hitler and the Great Chemical Combine* (New York: Barnes and Noble Books, 1978); Charles Highham, *Trading with the Enemy: The Nazi-American Money Plot 1933-1949* (Lincoln, Nebraska: Authors Guild Backinprint Edition, 2007); Glen Yeadon and John Hawkins, *The Nazi Hydra in America: Suppressed History of a Century* (Joshua Tree, California: Progressive Press, 2008).

[46](#) T.H. Tetens, *Germany Plots with the Kremlin*, pp. 218-219, emphasis added.

[47](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 220.

[48](#) T.H. Tetens, *Germany Plots with the Kremlin*, pp. 222-223.

[49](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 228, emphasis added.

[50](#) See my *Financial Vipers of Venice* (Port Townsend, Washington: Feral House, 2013), pp. 87-90.

[51](#) Tetens, op. cit., p. 229, emphasis added. See also the remarks on p. 231.

[52](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 229.

[53](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 231.

[54](#) Again, see my *Babylon's Banksters*, pp. 45-75, *Covert Wars and Breakaway Civilizations*, pp. 160-195.

[55](#) The British and French did in fact lose their control over the Suez canal and their influence within Egypt when the CIA-sponsored coup overthrew King Farouk, which led to the Suez crisis of 1954. It will be recalled, however, that the CIA's boots on the ground were the postwar Nazi International groups led by former SS commando officer Otto Skorzeny. See my *Nazi International*, pp. 191-206.

[56](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 230.

[57](#) T.H. Tetens, *Germany Plots with the Kremlin*, pp. 230-231.

[58](#) For this point, see my *Covert Wars and Breakaway Civilizations*, p.137..

[59](#) T.H. Tetens, *Germany Plots with the Kremlin*, pp. 231-232, emphasis added.

[60](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 226.

[61](#) For this point, see Zbigniew Brzezinski, *The Grand Chessboard*,

[62](#) T.H. Tetens, *Germany Plots with the Kremlin*, pp. 223-224, emphases added.

[63](#) To state this is *not* to maintain that there was no anti-Hitler resistance of a “genuine” quality within Germany. What is being stated is merely that *some* of this resistance was a carefully coordinated *masque* by the German oligarchy and Nazi elites.

[64](#) For this point, see the novel-spy thriller by Collin Forbes, *The Leader and The Damned*. In the guise of fiction, Forbes presents the scenario that the bomb plot against Hitler in *March of 1943*, a very real plot, during which General Henning von Tresckow placed two bottles of wine that were in fact pressure activated bombs on Hitler's plane, actually succeeded. This event is dramatized in the opening of the Tom Cruise film *Valkyrie*, with von Tresckow played by British actor Kenneth Brannagh. In the Forbes scenario, Hitler had flown to Smolensk to discuss an audacious plan to move sixty divisions from the West Wall – virtually stripping Europe of its Atlantic defenses – for use in the summer 1943 offensive against the Kursk Salient, an operation which, if completed, would have almost certainly have been successful. In Forbes' scenario, the bombs exploded, Hitler was killed, and Bormann then substituted one of Hitler's many doubles for the Führer, and conducted the rest of the war himself. Forbes also strongly implies that Bormann was the still-unknown Soviet mole

within the headquarters of the O.K.W. (*Oberkommando der Wehrmacht*). While I have never subscribed to this view, it does raise interesting possibilities if one considers that Bormann was *not* a Soviet mole, but that he did go on to escape the Bunker to make his way eventually to Latin America, as I argued in *The Nazi International* (pp. 88-128). At the end of his novel, Forbes attaches an author's epilogue, indicating that the novel was based upon a story he had been told by a British intelligence insider after the war.



**THE FASCIST PHOENIX FROM ARYAN ASHES : THE BAD CHANCELLOR ,  
THE CUNNING MINISTER , THE GOOD CHANCELLOR , AND THE  
CONTINUITY OF AN IDEA FROM BETTMANN -HOLLWEG THROUGH  
RATHENAU TO ADENAUER**

*“A year before that, at a press interview in Washington, the Chancellor’s principal diplomatic assistant, State Secretary Walter Hallstein, defined the area to be liberated as reaching ‘up to the Ural Mountains.’” T.H. Tetens<sup>1</sup>*

*“The...toleration of the activities of such important Nazis as Colonel Skorzeny and Hans Ulrich Rudel, give rise to the suspicion that high officials in Bonn had some secret ties with the Nazi center in Madrid.” T.H. Tetens<sup>2</sup>*

**T**HE IDEA OF A POLITICALLY, CULTURALLY, AND ECONOMICALLY UNITED EUROPE under a strong central authority is as old as the Roman Empire itself and, notwithstanding the ultimately disastrous reforms of the Emperor Diocletian, found its cultural and central authority expression, and even to some extent, its financial expression, in the Byzantine-Papal cultural domination of the Middle Ages. Later still, it found political and economic expression in Napoleon Bonaparte’s “continental system” of alliances and the economic bloc he attempted to form from it, a system that ultimately led to his disastrous invasion of Russia to enforce its stipulations, and to the final dissolution of French hopes to dominate a “United Europe.” Somewhat before that, during the early revolutionary period, it also found expression of a sort in the plans and goals of the Bavarian Illuminati of Adam Weishaupt to overturn all “princes and priests” in an effort to return to the idea of a political simplicity (απλοτης), a “universal brotherhood of mankind” all under the illuminated Masonic guidance of an international Pan-European technocratic elite, Weishaupt’s new elite, an elite which was, not surprisingly, dominated mostly by Germans. But nowhere did it find a more consistent expression and *detailed planning* than in the policies of the German elites from the



*Kaiserreich* of 1871-1918, through the Weimar period and throughout the entire era of the Nazi Third Reich, and down to our own time. *It is the consistency of this vision both in breadth, depth, and detail* that gives one pause, and it is therefore necessary to survey that history both as briefly and yet in as much detail as possible, both to demonstrate that consistency and to expose the underlying geopolitical vision informing the Madrid Circular, for the reality of contemporary European power politics is that like it or not, Germany's is by far and away Europe's largest single industrialized economy and population base, and every European power knows this, and has known it since the modern united Germany first announced itself on the world stage at the proclamation of the German Empire at Versailles in 1871 upon the conclusion of the Franco-Prussian War. It was then and remains now an uneasy symbiotic relationship between the rest of Europe, and its premier power.<sup>3</sup>

In short, to understand the European Union, one simply must understand the history of the German visions for its creation, and their plans for dominating it once it was formed. Indeed, the “hidden history”—though it really is not all that hidden if one bothers to look carefully—of the two world wars is really the history of the struggle for its creation. As was noted at the end of the previous chapter, the devils are always in the details, and in this case, those corporate and economic devils are very illuminating.

### *A. The Bad Chancellor: Theobald von Bettmann-Hollweg*

#### *1. And Germany's First World War Aims*

To some extent, the modern history and structure of the European Union begins in the years immediately prior to World War One, and find their first fullest expression in a statement of German War aims drawn up by the imperial *Reichskanzler* of Kaiser Wilhelm II, Theobald von Bettmann-Hollweg, in the earliest days after the outbreak of World War One.



*Theobald von Bettmann-Hollweg, 1856-1921, Reichskanzler from 1909-1917*

In September 1914, a mere month after World War One had begun in earnest, and in the same time frame that Germany was to suffer defeat at the Battle of the Marne which would lead to four years of deadlocked trench warfare on the Western Front, and mere days after the stunning German victory of Generals Ludendorff and Hindenburg at the Battle of Tannenberg on the Eastern Front, von Bettmann-Hollweg circulated a secret memorandum to the German industrial and military elite in which he outlined what Germany's war aims were. This became known as "the September Program," and a mere glance at its provisions will disclose not only how consistent its aims are with the Madrid Circular, but more importantly, how consistent its aims were with the contemporary realities of European Union power politics:

1. *France.* The military to decide whether we should demand cession of Belfort and western slopes of the Vosges, razing of fortresses and cession of coastal strip from Dunkirk to Boulogne.

The ore-field of Briey, which is necessary for the supply of ore for our industry, to be ceded in any case.

**Further, a war indemnity, to be paid in instalments; it must be high enough to prevent France from spending any considerable sums on armaments in the next 15-20 years.**

**Furthermore: a commercial treaty which makes France economically dependent on Germany, secures the French market for our exports and makes it possible to exclude British commerce from France. This treaty must secure for us financial and industrial freedom of movement in France in such fashion that *German enterprises can no longer receive different treatment from French.***

2. *Belgium.* Liége and Verviers to be attached to Prussia, a frontier strip of the province of Luxemburg to Luxemburg.

Question whether Antwerp, with a corridor to Liége, should also be annexed remains open.

**At any rate, Belgium,** even if allowed to continue to exist as a state, must be reduced to a vassal state, must allow us to occupy any militarily important ports, must place her coast at our disposal in military respects, **must become economically a German province. Given such a solution, which offers the advantages of annexation without its inescapable domestic political disadvantages,** French Flanders with Dunkirk, Calais and Boulogne, where most of the population is Flemish, can without danger be attached to this unaltered Belgium. The competent quarters will have to judge the military value of this position against England.

3. *Luxemburg.* Will become a German federal state and will receive a strip of the present Belgian province of Luxemburg and perhaps the corner of Longwy.

4. **We must create a central European economic association through common customs treaties, to include**

**France, Belgium, Holland, Denmark, Austria-Hungary, Poland (sic), and perhaps Italy, Sweden, and Norway. This association will not have any common constitutional supreme authority and all its members will be formally equal, but in practice will be under German leadership and will stabilize Germany's economic dominance over Mittel-europa.**

5. *The question of colonial acquisitions*, where the first aim is the creation of a continuous Central African colonial empire, will be considered later, as will that of the aims to be realized vis-à-vis Russia.

6. A short provisional formula for a possible preliminary peace to be found for a basis for the economic agreements to be concluded with France and Belgium.

7. *Holland*. It will have to be considered by what means and methods Holland can be brought into closer relationship with the German Empire.

In view of the Dutch character, this closer relationship must leave them free of any feeling of compulsion, must alter nothing in the Dutch way of life, and must also subject them to no new military obligations. Holland, then, must be left independent in externals, but be made internally dependent on us. Possible one might consider an offensive and defensive alliance, to cover the colonies; **in any case a customs association**, perhaps the cession of Antwerp to Holland in return for the right to keep a German garrison in the fortress of Antwerp and at the mouth of the Scheldt.<sup>4</sup>

Beyond the obvious facts that Bettmann-Hollweg intended to impose war reparations every bit as punitive to France as the Allies would eventually impose on Germany in 1919 in the Versailles Treaty, and that he intended to annex various strategically important strips of France directly to the *Kaiserreich*, what emerges as the central core of this document is something entirely different from direct military domination and territorial annexations and, if one strips away the all the references to those annexations, something apparently “benign” emerges that begins to look like a familiar pattern:

- 1)The document clearly advocates a “customs” union, i.e., a common economic trading zone comprising the bulk of western and central Europe, and Scandinavia;
- 2)This customs union, lacking a unified central or, to employ Bettmann-Hollweg’s terminology, constitutional authority, will thus easily be dominated by Germany as the *de facto* central authority;

3) This customs union would be held together by a series of German garrisons and bases scattered throughout Europe as the “enforcement” of its policies.

To put it as succinctly as possible, in spite of the popular image and even the Allied propaganda of the day, the German Empire was not seeking to “invade, conquer, and annex” whole swaths of European territory to the German Reich, but rather, to impose its idea of a “common market”—for in effect that is what a customs union is—on the rest of Europe. It meant to dominate Europe *politically* by dominating it *economically*. The *military* aspect of World War One, as far as Bettmann-Hollweg and other members of the German elite were concerned, was simply “diplomacy by other means” to that very end, to cite the adage of von Clausewitz. And notably, in Bettmann-Hollweg’s version of the scheme, very little had changed since the time of Napoleon, for both men intended their “continental system” to be just that, a continental system *excluding* Great Britain.

Nor did von Bettmann-Hollweg simply dream these ideas up, whole cloth, under his own inspiration and steam. Rather, they were deeply reflective of the strategic, political, and economic thinking of the German elite, including some in the German General Staff, in the years immediately prior to the war. For example, the industrialist Walther Rathenau, chief executive officer of the German electrical giant, A.E.G. (*Allgemeine Elekicitäts Gesellschaft*), <sup>5</sup> proposed in a conversation with Bettmann-Hollweg in 1912 “that German policy should be directed towards the creation of a central European customs union, and secured the Chancellor’s agreement.” <sup>6</sup> Rathenau followed this up in 1913 and again in 1914 with memoranda outlining these policies as German war aims. <sup>7</sup> Nor was Kaiser Wilhelm II opposed to such ideas. On the contrary, prior to the war, to the very same Rathenau, Wilhelm outlined his own ideas “for an economic unification of the Continent as a defensive measure against the American reprisals policy of high tariffs.” <sup>8</sup> In other words, even before World War One, already the idea of a continental-wide system of economic integration was being discussed—and by the Kaiser himself!—as a means of counterbalancing growing American power.

## 2. Russia, and “Mitteleuropa”

In 1912, Bettmann-Hollweg had just returned from a tour of Russia during which the idea of an economic union was fleshed out, not with respect to the growing power of America, but rather, to that of Russia. The Chancellor

...saw Russia's "wealth of natural resources and of crude physical manpower" as the bases for the development of "an expansive and gigantic industrial power" which might one day crush Germany. Germany could resist this power only by expansion of her bases, which must include expansion to the west. Rathenau's report on the conversation, at the end of July, ran:

"I developed my ideas: 1. Economics. Customs union with Austria, Switzerland, Italy, Belgium, Netherlands, etc., with simultaneous closer association. 2. Foreign Policy. Key to it: the Franco-German conflict, on which all nations grow fat. Key: England. Disarmament impossible today. Begin by increasing tension—though dangerous—also undermine England's position in Mediterranean. Then alliance. Object: Mittelfrika, Asia Minor."<sup>9</sup>

Behind all the cynical talk of individual nations, deliberate escalation of tensions with Great Britain, one discovers once again the same basic logic of the Madrid circular: faced with growing power to the West in the form of the USA, and to the East in the form of Russia, the only ultimate way to preserve German power was via the creation of a continental economic bloc.

In these ideas, Wilhelm II, Rathenau, and von Bettmann-Hollweg were echoing the thought and conceptions of one of the German General Staff's chief geopolitical and strategic theorists of the era, General Friedrich von Bernhardi, whose book *Deutschland und der nächste Krieg (Germany and the Next War)* appeared in 1912 and sold so heavily that it ran to five editions.<sup>10</sup> German historian and scholar Fritz Fischer observes that the book "is generally dismissed by German historians as the eccentric outpourings of an undisciplined Pan-German with little relationship to the plans either of the general staff or of the government,"<sup>11</sup> however, such is not the case at all. Rather, General von Bernhardi's summary statement of

his argument “under the heading ‘World Power or Decline’ epitomized the intentions of official Germany with great precision.” [\\_12](#)

Indeed, von Bernhardi’s vision was hardly that of “an eccentric Pan-Germanist,” and they echo with astonishing foresight the underlying philosophy of the Madrid Circular, for in the General’s long-term analysis of the geopolitical and economic situation,

...three things were necessary for Germany’s advance to a position of world power:

(i) The elimination of France (*die Ausschaltung Frankreichs*): France must be “completely brought to the ground, so that she shall never again be able to obstruct our path”—a formula which recurred almost verbatim in the September Programme drawn up by Bettmann Hollweg a few weeks after the outbreak of war.

(ii) *Foundation of a Central European federation under German leadership*. Bernhardi’s expectation that the smaller states (“the weaker neighbours”) would seek the protection of German arms and “attachment to Germany” was shared by leading circles in Germany during the war. The German government attempted officially, after 1914, to realise his demand for a “Mitteleuropa.” [\\_13](#)

And lest one think that the Wagnerian overtones of an apocalyptic struggle against the Slavic race that suffused the end-game speculations of the Madrid Circular are missing from the more reasonable Wilhelmine military, von Bernhardi made it clear that his vision of a European Union was not merely political or economic in nature; it was an essential component in the *Kulturkampf* against the Slavic world that he envisioned, for the third component of his program envisioned precisely this component:

(iii) The development of Germany as a world power through the acquisition of new colonies. Bernhardi agreed with the German professors, economists and political leaders *in seeing the future no longer in terms of the old European system of states, but in a new system of world states, in which the balance depended on real factors*. But for him, as for them, world power was *at the same time a cultural mission*. In the same December, 1912, in which the Emperor ordered



the psychological preparation of the nation, he instructed the Foreign Ministry that the recognition of the coming life and death struggle of the Teutons against the Gauls and Slavs must be made “the basis of our policy”, and allies for it must be recruited wherever they could be found. “We must conclude a military agreement with Bulgaria...Turks, also with Rumania. We must also conclude such an agreement with Japan. Any power which can be got is good enough to help us.”<sup>14</sup>

Thus, in 1912, one has not only the outlines of the post-World War Two Madrid Circular, but also the outlines of the very Axis nations that would fight World War Two.

If all this sounds *too* uncomfortably like the world one sees emerging today, then consider that von Bernhardt was not merely one of an “eccentric group” of “Pan-Germanists,” but rather representative of the long-term strategic thinking that had begun to take hold not only of some Pan-Germanists but of the German elite itself, which began to court the idea “that they would need ‘Three Punic Wars’ to destroy the British Empire and the United States.”<sup>15</sup> In March of 1918, they came very close to overwhelming the Western Allies, and dealing the first of those mortal blows to the British Empire.

### *3. The Russian Surrender to the Central Powers: The Treaty of Brest-Litovsk and a Suggestive Comparison*

The story of this near success, and of its own unique role in the Nazi myth of the *Dolchstoß in den Rücken*, the “stab in the back” by internal “Jewish traitors,” is well-known, but a quick review of it is in order. In 1917, the German General Staff, at the urging of the Kaiser’s close advisor, Max Warburg of the famous banking family, and with the consent of the then-virtual dictator of Germany, General Erich Ludendorff, secretly transported a Russian Communist revolutionary named Vladimir Ulyanov, known to the world as Lenin, on a German train through German and Russian lines, for the express purpose of fomenting a Communist revolution in Russia, and bringing down the Menshevik Socialist government of Kerensky, which had overthrown the Tsar. “Coincidentally,” Lenin’s arrival in St. Petersburg was closely coordinated with that of Leon Trotsky, who was traveling to Russia from his exile in the United States, suggesting to



some that this coordination was brokered by the Warburg family via banking contacts in neutral Sweden or Switzerland, with Max Warburg's brother Paul, based in New York, coordinating the American end.<sup>16</sup> In return for this German assistance, the Bolsheviks pledged to take Russia out of the war,<sup>17</sup> releasing a million German troops for a final series of offensives on the Western front before American forces could arrive in sufficient numbers to restore the balance of forces.

As is now well known, the Bolshevik-Communist forces were successful in overthrowing the Kerensky government, and immediately began negotiations with the Central Powers to surrender. This was consummated at the Treaty of Brest-Litovsk, signed on March 3, 1918 between Austria-Hungary, the Ottoman Empire, Bulgaria, the German Empire, and Russia. In it, Russia ceded the Baltic States to Germany, and renounced claims on Poland, Finland, Byelo-Russia, the Ukraine, and portions of the Georgian Trans-Caucasus region, all of which were to be occupied by the forces of Austria-Hungary, the Ottoman Empire, and Germany, as the following map demonstrates.



*The Consequences of the Treaty of Brest-Litovsk, March 3, 1918:*

Russia's small industrial base compared to that of Germany's, meant that the war had become essentially a slaughter, with little to no hope of a Russian victory. This fact, and the mounting casualties, gave rise to popular demands to end the war, which the Bolsheviks exploited.

*Note the Gray areas of the Baltic States and the Ukraine, all of which were occupied by garrison forces of the Central Powers.*

In the Treaty, the German Empire had essentially articulated, and had recognized in an international treaty instrument, its strategic aims as von Bernhardi and von Bettmann-Hollweg had articulated them prior to the outbreak of the war, for the Baltic states were to become German vassal states by the installation of local German nobility into their government, while a Polish, Byelo-Russian, and Ukrainian state (the so-called Ukrainian Hetmanate) were to be puppet states of Berlin and Vienna. What is important to remember in this context is that the lines and shaded areas on the map are much less important than the political and economic realities thereby indicated, for Germany's intention was to dominate these regions economically, and through this, politically. What one is really looking at, in other words, with the Treaty of Brest-Litovsk, are the first planks of Germany's attempt to create its long-sought customs union, dominating *Mitteleuropa*.

With this in mind, a comparison to the modern map of Europe is in order:



*Modern Europe*

With the dissolution of Austria-Hungary after World War One at the Treaty of Trianon (1920), German economic domination of the smaller states of central Europe—Bettmann-Hollweg’s and von Bernhardt’s *Mitteleuropa* — was assured. And now, as then, the Ukraine was the principal concern of the geopolitical and economic planners of Berlin.

Ludendorff’s massive 1918 offensives in France, utilizing the transferred troops from the Eastern Front, the new infiltration tactics perfected on the Eastern Front, and the sudden, massive, sharp, short, and carefully coordinated artillery bombardment tactics also perfected on the Eastern Front, [18](#) came perilously close to breaking the British and French forces, exhausted by four years of warfare. Only the arrival of fresh American troops saved the Western Allies.

The result was, of course, the abdication of the Kaiser, the German surrender, the Treaty of Versailles, the loss of German territories in the East, the imposition of sharp war reparations, severe limitations on German armaments and the size of its military, the forbidding of any *Anschluss* or union of Austria and Germany, and the “total war guilt clause” whereby Germany assumed complete responsibility for starting World War One. For our purposes, we need to note two things about the Versailles Treaty, one which is frequently commented upon, and one whose true purpose is seldom mentioned.

The first of these, and the one most frequently commented upon, is the restriction of the German military, the *Reichswehr*, to an army of no more than 100,000 men, an army that, moreover, was prohibited from manufacturing or possessing any tanks, any artillery of larger than 15cm caliber (the Allies had learned the hard way!), or any combat aircraft, and to a small coastal defense navy of ships no larger than 10,000 tons displacement. For a great power such as Germany, surrounded on all sides by powerful potential enemies such as France, Great Britain, the newly-founded Czechoslovakia (with its old Austrian imperial Skoda munitions works), and the Soviet Union, this was an obviously intolerable situation, for it placed the ultimate security of the country in the hands of the very nations with whom it had recently been at war. Hence, this was one of the first series of provisions that would quickly begin to be circumvented after the war, as will be seen shortly. [19](#)

The second feature of the Versailles system whose true significance is not usually noticed is the provision prohibiting any union or *Anschluss* of Austria and Germany. For the Allied geopoliticians in France in 1918-1919, the logic of this prohibition begins to be understood when one recalls that the German war aims were precisely to create a customs union in Europe, beginning with *Mitteleuropa*, which reveals itself to be a euphemism for the German intention to dominate its wartime ally, Austria-Hungary, economically and hence politically, transforming the Dual Monarchy into a vassal state. With the dissolution of the Austro-Hungarian Empire, however, the rump state of Austria could be more easily absorbed into the Reich. Additionally, such absorption would reverse the geopolitical intention of the creation of Czechoslovakia, leaving that polyglot country surrounded on three sides by territories of an expanded Reich, and in an untenable military position, exactly as happened after Hitler's *Anschluss* of Austria in 1938, which led to the absorption of Bohemian Czechoslovakia and the creation of the Slovakian rump and puppet state by Hitler in March 1939. In short, the prohibition of *Anschluss* was designed to thwart the first essential step in the creation of the German-dominated "customs union" of *Mitteleuropa*, which was, of course, the essential *second* step to the creation of a German-dominated "European Union."

*B. The Cunning Minister: Walter Rathenau, Generaloberst  
Hans von Seeckt, and the Rapallo Prinzip*

While the above observations might at first seem to be a case of projection of contemporary realities into the past, the consistency of such goals and agendas over time, and through a variety of German governments and constitutional arrangements, reveals its truthfulness, nowhere more so than during the Foreign Ministry of one of the interwar period's most gifted statesmen: Walter Rathenau.



*Reich Foreign Minister, Walter Rathenau, 1867-1922, Minister from Feb-June, 1922*

Rathenau was, like many other wealthy German Jews of the era, both a highly literate and intelligent man; opposed to the socialism of Soviet Russia and any nationalization of corporations, Rathenau was also a geopolitical and economic realist who, like the vast majority of Germans, was also an ardent nationalist and opposed to the Versailles Treaty and its stipulations. Like many in the political center of Germany at that time, he sought to create maneuvering room for Germany diplomatically, aiming always for the eventual overturning of the stipulations of Versailles.

In 1922, as German Foreign Minister in the coalition government of Centrist Chancellor Josef Wirth, Rathenau, opposed though he was to Soviet methods and policies, had his opportunity with the Treaty of Rapallo, signed with the Russian Federated Socialist Republic. The terms of this treaty are instructive:

The German Government, represented by Dr Walther Rathenau, Minister of State, and the Government of the Russian Socialist Federal Soviet Republic, represented by M. Tchitcherin, People's Commissary, have agreed upon the following provisions:

**Article 1**

The two Governments are agreed that the arrangements arrived at between the German *Reich* and the Russian Socialist Federal Soviet

Republic, with regard to questions dating from the period of war between Germany and Russia, shall be definitely settled upon the following basis:

[a] *The German Reich and the Russian Socialist Federal Soviet Republic mutually agree to waive their claims for compensation for expenditure incurred on account of the war, and also for war damages, that is to say, any damages which may have been suffered by them and by their nationals in war zones on account of military measures, including all requisitions in enemy country. Both Parties likewise agree to forgo compensation for any civilian damages, which may have been suffered by the nationals of the one Party on account of so-called exceptional war measures or on account of emergency measures carried out by the other Party.*

[b] Legal relations in public and private matters arising out of the state of war, including the question of the treatment of trading vessels which have fallen into the hands of either Party, shall be settled on a basis of reciprocity.

[c] Germany and Russia mutually agree to waive their claims for compensation for expenditure incurred by either party on behalf of prisoners of war. Furthermore the German Government agrees to forgo compensation within(sic) regard to the expenditure incurred by it on behalf of members of the Red Army interned in Germany. The Russian Government agrees to forgo the restitution of the proceeds of the sale carried out in Germany of the army stores brought into Germany by the interned members of the Red Army mentioned above.

## **Article 2**

Germany waives all claims against Russia which may have arisen through the application, up to the present, of the laws and measures of the Russian Socialist Federal Soviet Republic to German nationals or their private rights and the rights of the German *Reich* and states, and also claims which may have arisen owing to any other measures taken by the Russian Socialist Federal Soviet Republic or by their agents against German nationals or the private rights, on condition that the government of the Russian Socialist Federal Soviet Republic does not

satisfy claims for compensation of a similar nature made by a third Party.

### **Article 3**

*Diplomatic and consular relations between the German Reich and the Russian Socialist Federal Soviet Republic shall be resumed immediately.* The conditions for the admission of the Consuls of both Parties shall be determined by means of a special agreement.

### **Article 4**

*Both Governments have furthermore agreed that the establishment of the legal status of those nationals of the one Party, which live within the territory of the other Party, and the general regulation of mutual, commercial and economic relations, shall be effected on the principle of the most favoured nation.* This principle shall, however, not apply to the privileges and facilities which the Russian Socialist Federal Soviet Republic may grant to a Soviet Republic or to any State which in the past formed part of the former Russian Empire.

### **Article 5**

The two Governments shall co-operate in a spirit of mutual goodwill in meeting the economic needs of both countries. In the event of a fundamental settlement of the above question on an international basis, an exchange of opinions shall previously take place between the two Governments. The German Government, having lately been informed of the proposed agreements of private firms, declares its readiness to give all possible support to these arrangements and to facilitate their being carried into effect.

### **Article 6**

Articles 1[b] and 4 of this Agreement shall come into force on the day of ratification, and the remaining provisions shall come into force immediately.

Original text done in duplicate at Rapallo on April 16, 1922

Signed: Rathenau

Signed: Tchitcherin\_20

Note that the three principle effects of the Rapallo treaty are:

- 1)The immediate restoration of diplomatic relations between (Soviet) Russia and Germany; thus, Germany becomes one of the first major nations to formally recognize the Soviet Union and government;
- 2)Both countries forego any war indemnities or claims on the other, and recognize the current status quo, i.e., Rapallo is the formal recognition by both countries that the Treaty of Brest-Litovsk is no longer valid;\_21\_and finally and most importantly;
- 3)Both countries agree to mutual economic assistance and cooperation on the basis of most-favored nation trading status; in effect, the two major post-World War One powers and pariah nations have agreed to cooperate and coordinate in a loose economic bloc. This effectively made Weimar Germany the Soviet Union's principal international trading partner, and vice versa.

But there's more.





*Colonel-General (Generaloberst) Hans von Seeckt, 1855-1936, Chief of the post-World War One Reichswehr, 1919-1926*

It has always been rumored that German *Reichswehr* chief, Colonel-General Hans von Seeckt, secretly wrote to Rathenau and insisted on a secret protocol to the Rapallo Treaty, authorizing the establishment of German armaments industries on Russian territory and facilities to train German officers and soldiers with the very weapons—tanks, combat aircraft, heavy artillery—on Soviet soil at secret training centers, with weapons built in German factories in Russia, far from the prying eyes of the Allied military attaches combing factories in Germany for any signs of armament production. In all likelihood, this is true, for although many of von Seeckt's papers and Soviet documents from the period have been destroyed, the reality confirms that some sort of secret arrangement did exist, and moreover, existed from the early 1920s, during the Rapallo period:

Rumors of a secret military supplement to the treaty soon spread. However, for a long time the consensus was that those rumors were wrong, and that Soviet-German military negotiations were independent of Rapallo and kept secret from the German Foreign Ministry for some time. This point of view was later challenged. On November 5, 1922, six other Soviet republics, which would soon become part of the Soviet Union, agreed to adhere to the Treaty of Rapallo as well.

The Soviets offered Weimar Germany facilities deep inside the USSR for building and testing arms and for military training, well away from Treaty inspectors' eyes. In return, the Soviets asked for access to German technical developments, and for assistance in creating a Red Army General Staff.

The first German officers went to the Soviet state for these purposes in March 1922. One month later, Junkers began building aircraft at Fili, outside Moscow, in violation of Versailles. The great artillery manufacturer Krupp was soon active in the south of the USSR, near Rostov-on-Don. In 1925, a flying school was established at Vivupal, near Lipetsk, to train the first pilots for the future Luftwaffe. Since 1926, the Reichswehr had been able to use a tank school at Kazan (codenamed *Kama*) and a chemical weapons facility in Samara Oblast

(codenamed *Tomka*). In turn, the Red Army gained access to these training facilities, as well as military technology and theory from Weimar Germany.<sup>[22](#)</sup>

In other words, in a little under half a decade after the signing of the Treaty of Versailles, and long before the advent of the Nazi regime, Weimar Germany had completely circumvented the spirit of the Treaty of Versailles, if not its letter, ***by embarking upon a covert rearmaments program in the very weapons prohibited to it by employing a proxy state in which to do it, in return for which that state received the latest in industrial and military technology from Germany.*** This pattern, the “Rapallo Prinzip” or Rapallo Principle, or Rapallo Template, we shall see reflected again in the pattern of German behavior after World War Two and down to our own day, and particularly with respect to nuclear and thermonuclear weapons.

As for Colonel-General Hans von Seeckt, it is worth noting that during the First World War, he was chief of staff to one of that war’s greatest, if not most capable, field commanders, Field Marshal August von Mackensen, whose ability—almost unique for World War One commanders—was rapid *maneuver* warfare, combined with the artillery tactics reflected by his favorite artillery commander, Col. Georg Bruchmüller! Von Seeckt carried these doctrines on into the postwar *Reichsheer*, drilling it in all the newest tactics, and making it a “cadre” army, the finest in Europe, whose officers and non-commissioned officers were all deliberately drilled to assume charge of units the next two sizes higher than their standing rank normally commanded. When the *Wehrmacht* went to war in 1939, it was thus largely von Seeckt’s creation.<sup>[23](#)</sup>



*From the Bundesarchiv: Kaiser Wilhelm II in cape, with von Seeckt to his left standing at attention, and Field Marshal August von Mackensen in front of the guard, 1915*

### *C. The Good Chancellor: Dr. Konrad Adenauer and De- (or was that Re-?) Nazification*

For reasons that will become apparent in a subsequent chapter, we leap over the Nazi period to its very end, and to the very beginnings of the first post-World War Two German government of German Federal Chancellor Dr. Konrad Adenauer (1876-1967).



*The First Post-World War Two Chancellor: Dr. Konrad Adenauer (1876-1967), Bundeskanzler from 1949-1963*

#### *1. Nazi Documents from the End of the Second World War*

In 1953, and again in 1962, a Jewish German immigrant to the United States, T.H. Tetens (1899-1976) wrote two remarkable books detailing the existence and activities of the postwar Nazi International, *Germany Plots with the Kremlin* (1953) and *The New Germany and the Old Nazis* (1962). Indeed, it is largely because of Tetens' first book that anything is known

about the Madrid Circular at all. The context in which Tetens did so, however, was that of a prolonged examination of the activities of West Germany's first postwar federal Chancellor, Dr. Konrad Adenauer, and his government.

Adenauer carefully cultivated his image as “the *good* Chancellor” for the benefit of the Western Allies, Great Britain, France, and the United States. But the reality, as Tetens observed, was very different, and there is no better place to begin than with Adenauer's attitudes and statements regarding the German surrender:

On March 25, 1949, long before he was elected Chancellor, Dr. Adenauer caused consternation among the Allies when he declared in a speech in Berne, Switzerland, that the German people had never surrendered to the Allies, implying that they were free from all obligations. The German military leaders who surrendered in 1945 had “no mandate from the German people to submit to the terms of unconditional surrender.” In the same speech he opposed Allied confiscation of German patents and denounced the Oder-Neisse line<sup>[24](#)</sup> by declaring: “This frontier we shall never recognize!” The Chancellors's official biographer notes that “Adenauer's Berne speech caused a political sensation far beyond the frontiers of Switzerland; almost everywhere it was received with stormy indignation.” And at a mass meeting in Berlin in 1950, Dr. Adenauer embarrassed the Allied representatives present when he led the crowd in the singing of “Deutschland ueber Alles,” which was played at his request.<sup>[25](#)</sup>

What is interesting here is that Dr. Adenauer had pointed out the obvious, namely, that at the two German surrenders at Rheims, France, on May 7, 1945, signed by Colonel-General Alfred Jodl, and at Berlin on May 8, 1945, signed by representatives of the three service branches of the German *Wehrmacht*, no representative signed on behalf of the government of the Third Reich itself, at that time represented Grand Admiral Karl Dönitz, nor on behalf of the Nazi Party or its Party Chancery.<sup>[26](#)</sup>

This point raises in stark relief the issue of continuity between wartime and postwar institutions and concepts in Germany. Here, there is an astonishing continuity between actual Nazi documents from the end of the

war, and the Madrid Circular five years later. For example, in a document classified *Geheime Reichsache* (Secret State Matter) dated March 15, 1944, the head of Germany's military intelligence and counter-intelligence, the *Abwehr*, Admiral Wilhelm Canaris, wrote that the immediate strategic goal had to be "to crush the enemy's plan whose object it is to destroy forever the German Reich militarily, economically, and culturally," [27](#) a clear reference to the "Morgenthau" plan which had been given approval by President Roosevelt, and with which we shall have much more to say in a subsequent chapter. Thus, a clear case of continuity exists between wartime objectives of the Nazi elite at the end of the war, and the actual accomplishments claimed by the Madrid Circular five years after its end, for the Morgenthau plan was indeed scuttled and never implemented. Moreover, in yet another point of continuity, Admiral Canaris also states that the means whereby this was to be accomplished was to utilize the "efficient contacts" which Germany had "at our command in the United States," [28](#) a polite euphemism for the business contacts which existed prior to, and to some extent even during, the war.

A word is also necessary about Admiral Wilhelm Canaris himself. Canaris was implicated in the July 1944 Bomb Plot against Hitler, and later executed. However, as was seen in the first chapter, the Madrid Circular explicitly raises the specter that the Bomb Plot was either a deliberate *masquerade* by the Nazis, or a crisis of opportunity that was seized in order to "execute" alleged "plotters", and to create new identities for them. While absolutely no evidence exists—to this author's knowledge—to support the Madrid Circular's contention that several plotters' executions were staged, Canaris would have been a prime candidate for such a deception. [29](#)



*Admiral Wilhelm Franz Canaris, head of the Abwehr*

The reason for this is that Canaris served during World War One as a Commander with Admiral Graf von Spee's Far East Squadron. During the squadron's dash across the Pacific, down the western coast of South America, and through the Straits of Magellan, then Commander Canaris was detached from the squadron to scout coves and islands in the region that could serve as covert U-boat and other secret naval bases. *It was Canaris' scouting activities of these regions during the First World War, and his detailed personal knowledge of them, that became crucial to the strategic evacuation plans of the Nazis in 1944-1945, as these very regions were utilized by German and Italian ships and u-boats in getting documents, money, and personnel into Tierra del Fuego and other places in southern Argentina and Chile.* If the Madrid Circular's assertions in this respect are true, then Canaris would have been high on the list of "plotters" to be "executed." One does not search for postwar "war criminals" or high ranking Nazi military officers if they are "dead."



*Admiral Canaris as a Commander with Admiral Graf von Spee's Far East Squadron during the First World War*

Even earlier, in 1943, an American sympathizer, the geopolitician Dr. Colin Ross, working for the Nazi Foreign Ministry of Joachim von Ribbentrop, composed a memorandum on postwar psychological operations against the American people. Foreseeing the inevitable collapse that had already become evident in the wake of the German defeat at Stalingrad, Ross advocated a prolonged campaign of carefully calculated psychological warfare against the U.S.A.,<sup>30</sup> and the creation of

*...A far-flung organization in every country which, under enemy occupation, must carry on the task from the underground. We must do everything possible to impress upon American public opinion that after the liberation of Europe they will become involved in an endless maze of insoluble contradictions. However great their sacrifices may be they will end up in a blind alley exactly as it happened in 1918 under Wilson's grandiose planning.*<sup>31</sup>

To put it differently, what von Ribbentrop's Foreign Ministry experts were advocating was the creation of an extra-territorial State, the Nazi International.

As if this were not enough, in the final weeks of the war an even more grandiose plan was formulated. This plan was outlined in three documents recovered by the Allies, dated from April 3 to April 5, 1945, outlining what was called the "Generalplan 1945." The second of these documents consists



simply of the enumeration of twelve points under the heading “The European Peace-Order”. A glance at these twelve points is highly instructive:

1. Liberation of the German people from suppression and occupation.
2. *Repatriation of the expellees.*
3. An integrated German racial community.
4. Elimination of all arbitrary acts by the enemy.
5. *European Union on a federalistic basis.*
6. Right to racial autonomy.
7. *European Common-wealth.*
8. *European Court of Arbitration*
9. Community of related peoples *with the final aim to create a Germanic Reich.*
10. *Common-wealth between Germany and Bohemia and Moravia.*
11. Guaranteed protection of racial groups.
12. *Economic integration of Europe.* <sup>32</sup>

If all this sounds familiar by now, it should, for a “common-wealth between Germany and Bohemia and Moravia” was in fact what von Bettmann-Hollweg and other members of the German elite advocated during World War One with their “customs union” of *Mitteleuropa*, and it was in fact what was achieved with the establishment of the *Reichprotektorate Böhmen und Mahren* (Reich Protectorate of Bohemia and Moravia) in 1939, and, some would argue, it was again what was achieved after German reunification when the Kohl government exerted enormous pressure on Czechoslovakia, once again breaking the country up into its Bohemian-Moravian, and Slovakian components, just as was done in 1939. <sup>33</sup> As for the rest—a European federation, European court, and European economic integration—those too are accomplished facts. Of course, all of this may just be easy and convenient coincidence, but again, the Nazi devils are in the details, as will be seen in chapter four.

Finally, perhaps most importantly, the third of these documents, “Annex to General Plan 1945,” dated April 5, 1945, and titled “The Overcoming of



the Catastrophe,” recommends an interesting course of action, a course of action reflected in the Madrid Circular. Recognizing that “practically nothing can be offered to the Western Powers,” <sup>34</sup> the document goes on to outline seven specific steps that can be undertaken with Soviet Russia in a long-term postwar orientation of Germany’s interests eastward:

- a) Germany and the present Soviet Union join together in creating a “Socialist Union.” Tying in with the independence of the sixteen Soviet Republics in 1943, the European peoples form nationally defined, self-governing states, *allied through a defense and economic union*. Internal forms within the states are to be decided by the people.
- b) Germany recognizes the Soviet Republics of Poland, Lithuania, Estonia, Latvia, Finland, Bulgaria, Rumania, Macedonia, Greece, and perhaps Turkey.
- c) The Western part of Upper Silesia and all the parts of the Warthegau and Western Prussia which were parts of Prussia until 1918 remain German territory. Furthermore, Germany gets a stronger influence in Old Bohemia and in the South-East.
- d) Mutual exchange of prisoners of war and civilians including all the deported Germans from Transylvania, Banat, Pommerania, Silesia, East Prussia, etc.
- e) Germany gets a free hand in northern and Western Europe, especially against Great Britain.
- f) *The whole “Socialistic Union” supports Germany, especially through deliveries of raw materials.*
- g) Germany supports Soviet Russia in the reconstruction of the war-devastated areas.

The document goes on to draw this conclusion should the above courses of action prove successful:

*A colossal bloc of world-dominating greatness, economic power, energy and numbers of population would be created from ocean to ocean.* <sup>35</sup>

Beyond those concerns of the immediate moment, such as exchange of prisoners of war, re-settlement of Germans into the eastern provinces of Germany, and so on, what emerges from this document is, again, a stunningly prescient forecast of what actually happened, not only in the formation of the NATO alliance for “common defense,” not only in the formation of the European economic community, but also with respect to the relationship that has increasingly maintained between Germany and Russia since the end of the war, and even more so since the collapse of the Warsaw Pact and German reunification: Germany is supported by “deliveries of raw materials,” especially in the form of energy, from the Russian Federation. This eastward pro-Russian pivot, or *Ostpolitik*, advocated as the mid-term strategic goal in the Madrid Circular, thus finds expression in an official Nazi document from the end of the war. And as will be seen in a future chapter, the two countries’ goals of a federation from “the Atlantic to the Urals” in Germany’s case, or of a federation from “the Atlantic to Vladivostok” in Russia’s case, are not all that different from each other.

But what has all this to do with Germany’s first postwar Chancellor? In a word, everything, and there is no better place to begin than with an event that is virtually forgotten today, the attempted “Naumann Coup” against the Chancellor and his government in 1953. Were it not for the chronicling efforts of T.H. Tetens, the incident probably would have been forgotten altogether.

## *2. The Naumann Coup Attempt and Its Implications*

On the morning of January 15, 1953, shortly after seven A.M., the head of the British Foreign Office’s press unit, Sir William Ridsdale, handed out an official press release which stated that Chancellor Konrad Adenauer’s government had arrested

A group of seven former high Nazis officials...in Duesseldorf and Hamburg for having plotted the overthrow of the Bonn Republic. The official announcement said that the British authorities had been aware for some time that the seven men had been involved in a plot and that the arrest had been made under the authority of (British) Foreign Minister (Anthony) Eden.<sup>[36](#)</sup>

These were not just any ordinary group of seven men with delusions of grandeur, but rather, high-ranking Nazis within the Third Reich. The coup's ringleader was one Dr. Werner Naumann, who

Had served as State Secretary in Dr. Goebbels' Propaganda Ministry. Dr. Naumann had been with Hitler during the very last days in the bunker of the Chancellery in Berlin, and he was the one designated by the Fuehrer in his testament to succeed Dr. Goebbels as Propaganda Minister.<sup>[37](#)</sup>

Naumann's co-conspirators were a Who's Who of regional Nazi leaders in Hitler's Third Reich:

- 1)Karl Kaufmann, the former *Gauleiter* (Nazi party district leader) of Hamburg;
- 2)Paul Zimmermann, a former general in the SS and a high official in the SS' concentration camp organization;
- 3)Gustav Scheel, *Gauleiter* of Salzburg and "designated Ministerer of Education in Hitler's will";<sup>[38](#)</sup>
- 4)Dr. Heinrich Haselmeyer, chief of the Nazi party's "Student League" Hitler's "expert on race and sterilization";<sup>[39](#)</sup>
- 5)Dr. Karl Scharping, another official in Dr. Goebbels' Propaganda Ministry; and finally,
- 6)Heinz Seipen, yet another *Gauleiter*.<sup>[40](#)</sup>

Nor was this all. The British communique indicated that the seven arrested men were merely the tip of a much larger iceberg, for they "were described as the leaders of a group of a hundred twenty-five important Nazis whose aim was to infiltrate the three Rightist parties in the Adenauer coalition. Their final goal had been 'the overthrow of the Bonn parliamentary regime.'" <sup>[41](#)</sup> Additionally, the British also indicated that the plot was hatched by the postwar Nazi International's network, which spread "from Duesseldorff to Cairo, Madrid, Buenos Aires, and Malmö, Sweden."<sup>[42](#)</sup> One might expect that Konrad Adenauer's government would have been grateful to the British for exposing and halting the very coup attempt that would have unseated him.

### 3. Adenauer's Nazis

#### a. The Official Version of Adenauer's Response

However, this was far from the case. The “official” reason given for Chancellor Adenauer's chilly response to the British exposure of the plot was political:

At that time the Adenauer cabinet hoped for a speedy ratification of the European Defense Community Treaty (EDC) which would restore full German sovereignty and would be the first step toward political unification of Europe. To raise the specter of a resurgent Nazi danger before world public opinion at such a moment was, in Dr. Adenauer's eyes, an unpardonable crime. The Chancellor was especially bitter because the British High Commissioner, Sir Ivone Kirkpatrick, had not consulted him before the arrest.<sup>[43](#)</sup>

For the Adenauer Government, the European Defense Community Treaty was the means whereby Germany would be allowed to be rearmed, in addition to being a stepping stone on the way toward a political unification of Europe. It is significant that Great Britain, skeptical of the efforts toward European political union right up to the end of the Thatcher era, chose this precise moment to embarrass Adenauer.<sup>[44](#)</sup>

This was just the beginning for the Adenauer Government, and for our purposes, it is the beginning of a problematic that will reveal itself as the story as outlined by Tetens proceeds, for after the British finally convinced Adenauer and his cabinet that the evidence against Naumann and his associates was overwhelming, Bonn succeeded in convincing the British to hand the plotters over to German jurisdiction for trial. The British handed the plotters over to the Adenauer Government on March 26, 1953.<sup>[45](#)</sup>

At this juncture, the Bonn government issued a flurry of statements. Even Dr. Adenauer “admitted at a press conference ‘the existence of a far-flung plot’ and that Naumann's activities ‘had been financed with considerable sums by Nazi groups in foreign countries,’”<sup>[46](#)</sup> while his justice minister went further by acknowledging that the Naumann circle of Nazis had devised:

...“A most cunning and diabolical system of infiltration,” and that the conspiracy represented “an acute threat to the democratic institutions of the Federal republic.” The captured Nauman documents, he said, “gave clear proof that the aim of the group had been to fill key positions in all Rightist parties with hard-core Nazis and thereby create propaganda vehicles which could later be used for a broad neo-Nazis mass movement.” [47](#)

In spite of these public statements of shock and outrage, however, the actual treatment of the Naumann conspirators by the Adenauer Government, once they were in German jurisdiction, was quite contrary to the expressions of public shock, for at the end of June, 1953, all the conspirators were released, and by December 1954, the German Supreme Court “dismissed the case without any trial or hearing.” [48](#). It should be noted that, according to Tetens, the German media was less than impressed with Adenauer’s performance in the whole affair, with the *Frankfurter Rundschau* publishing much of the documentation and details of the plot in articles from January and February, and again in June 1953. [49](#)

The plot as exposed by the *Frankfurter Rundschau* was revealing, and encompassed four main methodological points by which the postwar Nazi International intended to operate within Germany:

- 1)The democratic institutions of the new Bonn Federal Republic of Germany would be used “as a façade behind which a new Nazi movement could be organized;” [50](#)
- 2)Chancellor Adenauer was to be used as a front, or a shill, for the Nazi International’s objectives, so as not to raise undue suspicion;
- 3)A “new method of infiltration” was to be developed to penetrate the existing political parties of Germany “in order to conquer the existing political parties and the administrative machinery of the state from within” while deliberately and scrupulously avoiding ostentatious displays of nationalism; [51](#) and finally,
- 4)Promote people trained prior to and during the war in the Hitler Youth into positions of power and influence, “not only in the Adenauer coalition parties but also into *all* other political organizations.” [52](#)

The careful reader will now have noticed the first appearance of the problematic surrounding the Naumann plot, its subsequent exposure by the British, and its characterization by the Adenauer government, for if these were the favored methodologies of the Naumann circle, why would they risk a carefully planned long-term strategy by an attempted coup against the very government it was trying to infiltrate? As will be seen in the next section, this is not the only manifestation of this problematic.

### *b. Adenauer's Nazis*

#### *(1) The British White Paper on the Nazi International*

By August 1953, the British had prepared their own statements on the Naumann coup attempt plot in “a lengthy white paper.” This paper was suddenly and inexplicably withdrawn from publication at the last minute for “reasons which have never been made quite clear.”<sup>53</sup> As Tetens notes, however, rumors ascribed the withdrawal to political pressure from Washington and Bonn.<sup>54</sup> Could such pressure have been brought to bear?

It is indeed possible, for consider only that Dr. Adenauer's intelligence chief at this time, and throughout his and the governments of his successors Ludwig Erhardt and Kurt Georg Kiesinger, was none other than General Reinhard Gehlen, chief of the wartime Nazi military intelligence organization *Fremde Heere Ost* (Foreign Armies East), who had deep contacts with American intelligence and the pro-German business interests represented by his acquaintance with Allen Dulles of the CIA.

#### *(2) A Couple of Nazis in Adenauer's Court*

It is when one considers Adenauer's government itself, however, that the problematic posed by the Naumann coup become most acute. For example, Dr. Hans Globke was the actual director of the *Bundeskanzlei* (Federal Chancellery) in Bonn, and one of Adenauer's chief national security advisors, until his pro-Nazi past caught up with him, and he resigned all government posts in 1963.

While never formally a member of the National Socialist German Workers' Party, he did file an application for membership, and conveniently neglected to inform the judges of the Nuremberg War Crimes Tribunals that he had done so.<sup>55</sup> Globke additionally held high position within the Third

Reich, being the head of the Office for Jewish Affairs in the Interior Ministry, which was the office responsible for drafting the notorious 1935 Nuremberg race laws.<sup>56</sup> But while it was Interior Minister Wilhelm Frick who was sentenced to hang by the Nuremberg Tribunal, it was Globke “who drafted the text of Hitler’s race law and who wrote the notorious ‘Commentary’ interpreting this Nuremberg law, which paved the way for the extermination of millions of human beings.”<sup>57</sup> Moreover, in his capacity in the Nazi Interior Ministry, Globke worked closely with Adolf Eichmann and others in the implementation of the “Final Solution,” and at one point, his personal intervention sealed the fate and murder of some 20,000 Jews, and received a personal commendation from Frick for his role in drafting the law.<sup>58</sup>

Moreover, within Adenauer’s Government, Globke occupied the key post of Secretary of State, which within the German parliamentary system, meant that Globke, so to speak, was to Adenauer what Martin Bormann was to Hitler: he was the man who convened meetings of the federal cabinet, determined its agendas, and decided what mail and other documents that Chancellor Adenauer saw.<sup>59</sup> He was Adenauer’s gatekeeper. This meant that not only was Globke “the hub of the entire government machinery,” but that he was the immediate superior to Adenauer’s espionage chief, General Reinhard Gehlen, whose organization, notes Tetens, had by 1950 grown to a staff three thousand, with an espionage network from “Korea to Cairo, from Siberia to Santiago de Chile.”<sup>60</sup> Add to this that the entire West German Federal Press office also fell under Dr. Globke’s control, and that Dr. Globke exercised control over the Chancellor’s discretionary fund<sup>61</sup>—a fund with over 40,000,000 marks in it—and one had a very powerful man, of very dubious background, in a position of authority without any parallel save perhaps the Chancellorship itself.

But Globke was not the only member of the Adenauer government with a pro-Nazi background. Dr. Gustav Sonnenholz had become a member of the notorious Brownshirts, the *Sturmabteilung* or S.A., and a Nazi Party member in 1930. Subsequently he was attached to the staff of Nazi Foreign Minister Joachim von Ribbentrop as an SS officer.

This Nazi record was no hindrance to the old fighter who, in 1950, was appointed head of the Information Office for Marshall Plan Air in the



Adenauer administration. A few years later Dr. Sonnenhol became the senior advisor to Vice-Chancellor Bluecher in the second Adenauer cabinet.<sup>62</sup>

It was in this position as advisor to the Vice-Chancellor that Sonnenhol, in a memorandum, argued that the Federal Republic should “exploit the cold war and make sure that no agreement should be reached between the United States and the Soviet bloc.”<sup>63</sup> In other words, Sonnenhol advocated a position similar to the Madrid Circular. And as for his position as chief of the Marshal Plan Aid Information Office, this would seem to corroborate to a small degree the speculation I have advanced elsewhere, namely, that the early Bilderberg meetings were established for the secret purpose of being the coordinating body behind the movement of Axis loot into the Western banking system, in order to launder part of those funds back to Europe in the form of American aid.<sup>64</sup>

These were not unique patterns in Adenauer’s governments, and to a certain extent, it may be said that Adenauer’s Christian Democratic Union party—the party of Chancellor Helmut Kohl and Chancellorin Angela Merkel—was the vehicle by which some former Nazis and pro-Nazis were “mainstreamed” in the postwar years.<sup>65</sup> Indeed, Adenauer was not above conspiring with known Nazis and Nazi organizations, as a secret meeting was attended by Nazi leaders in response to an invitation from Adenauer. *Der Spiegel* broke the story of the meeting—brokered by former SS officer Carl Cerff—on February 6, 1957. The purpose of the meeting? To ensure the support of the radical right for Adenauer in the 1957 elections.<sup>66</sup>

### *(3) Adenauer, the Nazi International, and the Problematic of the Naumann Coup Attempt*

So what was Adenauer’s relationship, if any, to the German Geopolitical Center in Madrid, and to the wider Nazi International? The public face of this center is well-known, having been represented by the former Propaganda Ministry official Dr. Johann von Leers,<sup>67</sup> Luftwaffe ace pilot Hans Ulrich Rudel, and most especially by former SS Lt. Col., and Hitler’s “favorite commando,” Otto Skorzeny.<sup>68</sup> It was, however, in the overthrow of Egyptian King Farouk and end of British and French influence in Egypt during the Suez crisis of 1954 that the influence of this Nazi International



organization on Adenauer's government was most evident, since it was the presence of key Nazi officials in Egypt, including von Leers, that worked directly with Bonn's Foreign Ministry.<sup>69</sup> Indeed, as Tetens complained, and as we have seen abundant evidence of, "Dr. Adenauer's whole timetable in dealing with the Western powers has been carefully prepared by those 'irresponsible Haushofer-Ribbentrop disciples who, from Madrid and Buenos Aires, regularly gave directives to their former Nazi colleagues in the Bonn Foreign Office."<sup>70</sup>

All of this highlights in stark relief the difficulty posed by the Naumann coup plot, for under Allied occupation, any open coup attempt to restore Nazis to power was not only fraught with risk, but, should it have been successful in toppling the Adenauer government, would have been quickly crushed by British, French, and American occupation forces. In other words, any coup attempt was doomed, and the plotters have to have known this. So why attempt to plan such a coup at all?

These considerations strongly suggest that the coup attempt may have been a carefully planned operation *deliberately designed to fail* in order to make the Adenauer government and its goals look moderate. In other words, one has a classic case of dialectical planning, with the external Communist threat the thesis, the internal Nazi threat, represented by Naumann and his plotters the antithesis, and Adenauer and his Government representing the "moderate, centrist" synthesis.

#### (4) Adenauer's Foreign Policy: "The Third Way," the "Third Force," and a United Europe

Such long-term dialectical planning is even more strongly in evidence in Adenauer's foreign policy, which looks not only like a copy of the Madrid Circular, but which also incorporates the key geopolitical agendas of the German oligarchy back to the days of Chancellor Theobald von Bettmann-Hollweg. Such plans bring one chin-to-chin with German, and American, postwar plans for a United Europe.

For our purposes, however, we must concentrate on the German aspect of this history, for like contemporary—and pro-Nazi—Argentinian dictator Juan Peron, Dr. Adenauer was a strong advocate for a "Third Way," i.e., the creation of a political-military-and economic-bloc centered on Europe as an alternative between the capitalism of the American-led west, and the

Communism of the Soviet-led East. Adenauer himself, in 1950, wrote in an editorial in the *Rheinischer Merkur*:

A federated Europe will become a Third Force in the world, not as strong as Russia or the United States, but powerful enough to intervene successfully—in a decisive moment—to safeguard the peace... Germany has again become a factor with whom others will have to reckon in international affairs...There is also a long-range economic goal: the colonization of Africa...If we Europeans colonize Africa, we create at the same time a supplier of raw materials for Europe which will be of the greatest importance.<sup>[71](#)</sup>

Nor was Adenauer alone in expressing such sentiments in the postwar German media, which was itself a fleshpot of personnel who had been carefully infiltrated into it from Ribbentrop's Nazi Foreign Ministry and Dr. Josef Göbbels' Propaganda Ministry.<sup>[72](#)</sup>

For example, on November 1, 1951, the pro-Adenauer magazine *Christ und Welt* published an editorial advocated a strong integrated Europe with "its own strong military arm" able to arbitrate, or to be the decisive weight, in any confrontation between the United States and the Soviet Union.<sup>[73](#)</sup> Later, on December 27, 1951, the same *Christ und Welt* magazine wrote again of a united Europe as a "third power," this time even more prophetically:

It would first be necessary that we first create a united, healthy, and strong Western Europe in whose name the following offer to the Kremlin could then be made: Continental Europe would break away from the Atlantic Pact if the Soviets agree to withdraw their forces behind the Pripet-Marshes and release not only the Eastern zone of Germany, but the whole of Eastern Europe into the European Union. A United Europe, standing on its own feet and possessing its own powerful army....Could afford to carry out such an independent policy because it will have the strength of a third power.<sup>[74](#)</sup>

As will eventually be seen, such an offer indeed may have been secretly made, and agreed upon, during the German reunification, between the

Government of Christian Democrat Helmut Kohl, and the Yeltsin Government of post-Soviet Russia. And as is abundantly evident, the “break-up” of the Soviet Union did indeed result in the withdrawal of Russian forces behind the Pripet Marshes, and the joining of the former Warsaw Pact countries—the Baltic States, Poland, the Czech Republic, Slovakia, Croatia, Hungary, Romania and so on—to the European Union.<sup>75</sup>

Such goals are, of course, entirely consistent with those of the Madrid Circular, and are another indicator that the influence of the postwar Nazi International within Adenauer’s government was quite palpable, if not directly visible by the presence of such people as Globke and Gehlen in his government, for the goal of a united Europe is clearly implicated in the Circular.<sup>76</sup>

Lest it be forgotten, Adenauer was also an advocate of the policy of the “rollback” of the Soviet bloc, nation-by-nation, a policy advocated by General Gehlen, whose network included cells of nationalist guerillas within the Soviet bloc in the Ukraine, Byelo-Russia, and the Baltic states, ready to be activated when the time was right, a policy which found its echo in postwar American planning in the hands of such people as George Kennan. Nor was Adenauer and his ministers vague about their ultimate aims:

The day after his election victory in 1953, the Chancellor, in a fiery speech in Bonn, demanded the *Befreiung*<sup>77</sup> of the territories in the East: “But instead of reunification, let us talk rather of liberation (*Befreiung*)—the liberation of our brethren in slavery in the East. That is our aim, and that we shall achieve, but only with outside help.”

A year before that, at a press interview in Washington, the Chancellor’s principal diplomatic assistant, State Secretary Walter Hallstein, defined the area to be liberated as reaching “up to the Ural Mountains.”<sup>78</sup>

To put it differently, the united Europe from the Atlantic to the Urals of which the German oligarchs dreamt under the Nazis<sup>79</sup> is precisely the same Europe dreamt of by Adenauer and his highest ministers, including Walter Hallstein, an important figure, whom we shall encounter again in a subsequent chapter.

The key, so far as the consistent policy of the German oligarchy was concerned, was the attempt to dominate Europe through cartel arrangements and agreements. Already in the period between World Wars One and Two, two powerful cartels, Fritz Thyssen's *Vereinigte Stahlwerke* (United Steel Works),<sup>80</sup> and of course the immensely powerful and notorious *Interessen Gemeinschaft Farbenindustrie Aktiens Gesellschaft*, I.G. Farben, A.G., were formed. This methodology, cartelization—whether *de jure* or *de facto*—will become a crucial point of consideration as well in coming pages.

Enter the Schumann plan to coordinate coal and steel production in a “common market” or customs union. Brainchild of French Foreign Minister Robert Schumann, the plan created in 1950 the European Coal and Steel Community, the first plank on the way to the later Common Market, and even later, the European Union. Effectively, the plan was a cartel arrangement, whereby the French hoped to be able “to limit German industrial production,” an attempt that Tetens predicted would “turn out to be an illusion,”<sup>81</sup> and which indeed *has* proven to be an illusion. For the Americans, a united Europe in which Germany played “the leading role” was a means to check German power, and to exercise even greater influence, through Germany, over Europe.<sup>82</sup> But for the German leadership, as has been seen, a united Europe was simply the mechanism by which to exercise world power.

It is illuminating to see how Tetens, writing in 1953, formulated the long-term strategic goals of the German oligarchy, for again, his words are indeed prophetic:

The German scheme of changing defeat into victory envisages the following steps: After the establishment of a German-dominated Europe, a close tie-up will follow with...Latin America. At the same time, the big German industrial combines will initiate an ambitious plan for the economic exploitation of Africa for which they expect great financial support from the United States. Having gained a foothold in Africa, Germany will create close relations with the nationalistic Union of South Africa, and at the same time will buttress her friendship with the whole pan-Arabic world. Of course, that scheme can only be carried out after Germany will have established friendly political relations with

Russia. The agreement with Russia will also open the door to a very profitable trade with China and South-East Asia.<sup>83</sup>

It is therefore no coincidence that in one of postwar West Germany's first "economic and military breakout" attempts, that the Adenauer Government participated in the USA's scheme to create an eight billion dollar African economic development plan by establishing the *Deutscher Arbeitstab Afrika* (The German Planning Staff Africa).<sup>84</sup>

But the creation of the *Deutscher Arbeitstab Afrika* was just the beginning of a much more sinister scheme, one in which one discovers the Rapallo Template or Rapallo *Prinzip* in full flower...

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<sup>1</sup> T.H. Tetens, *The New Germany and the Old Nazis* (London: Secker and Warburg, 1962), p. 131.

<sup>2</sup> *Ibid.*, p. 74.

<sup>3</sup> This is not to suggest that there were no other prominent "European Unionists" in the other great or lesser powers of Europe, nor that they could make common cause with their German counterparts.

<sup>4</sup> Fritz Fischer, *Germany's Aims in the First World War* (New York: W.W. Norton and Company, Inc.: 1967), pp. 104-105, boldface emphases added, italicized emphases in the original. It should be noted that Professor Fischer's book is an exhaustive study of over six hundred pages of Germany's war aims in World War One, demonstrating that Germany's aims were consistent throughout the war and remained so as the military situation changed on both Eastern and Western Fronts. Responding to critics of his thesis, Fischer followed this book with *World Power or Decline: The Controversy over Germany's War Aims in the First World War* (New York: W.W. Norton and Company, Inc., 1974).

<sup>5</sup> This is the same A.E.G. company that would later be connected to the Nazi Bell story.

<sup>6</sup> Fritz Fischer, *Germany's Aims in the First World War*, pp. 10-11.

<sup>7</sup> *Ibid.*, p. 11.

[8](#) Ibid., p. 28.

[9](#) Ibid., pp. 28-29.

[10](#) Fritz Fischer, *Germany's Aims in the First World War*, p. 34.

[11](#) Ibid.

[12](#) Ibid.

[13](#) Ibid., pp. 34-35.

[14](#) Fritz Fischer, *Germany's Aims in the First World War*, p. 35.

[15](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 68.

[16](#) See Anthony Sutton, *Wall Street and the Rise of the Bolsheviks*.

[17](#) Kerensky's Menshevik government had assured the Western Allies that Russia would continue to prosecute the war, though by this time,

[18](#) While this is not the place to investigate these changed tactics, it is worth noting that the Germans massed such enormous artillery resources of all calibers, from light guns to super-heavy guns, for these offensives, that during the first offensive of March 1918, in a matter of mere hours millions of shells pounded British positions. The rumble was so loud that it could be heard in London. The chief architect of these diabolical firestorms was Colonel Georg Bruchmüller, whose method of coordinating artillery and maneuver differed greatly from the Allied doctrine. It may be said without any exaggeration that Bruchmüller essentially invented the modern doctrines of artillery usage.

[19](#) The case of Czechoslovakia is particularly illustrative of how the Versailles system attempted to hedge in German power, for what had once been a *friendly* region, with its own military technological capability in the form of Austrian Bohemia (with its Skoda works), was suddenly and almost instantly transformed into what Nazi propaganda, without much exaggeration, qualified as a "dagger pointed at the heart of the Reich." Not surprisingly, the dismemberment and dissolution of Czechoslovakia therefore became a goal of post-World War One German policy almost as soon as the ink was dry on the Versailles Treaty. Nor should the *consistency* of this goal be overlooked, for as I detailed in *The Nazi International*, this was also a goal of Chancellor Kohl's foreign policy shortly after the reunification of Germany. (See my *Nazi International*, pp. 232-234)

[20](http://en.wikipedia.org/wiki/Treaty_of_Rapallo_%281922%29) “Treaty of Rapallo,” [http://en.wikipedia.org/wiki/Treaty\\_of\\_Rapallo\\_%281922%29](http://en.wikipedia.org/wiki/Treaty_of_Rapallo_%281922%29) , emphasis added.

[21](#) In terms of law, Imperial Germany, by signing the Treaty of Brest-Litovsk with the Soviet representatives, had formally recognized the Soviet Union. The Rapallo Treaty effectively did the same for Weimar Germany and the Soviet Union.

[22](http://en.wikipedia.org/wiki/Germany%E2%80%93Soviet_Union_relations_before_1941) “Germany-Soviet Union relations before 1941,” [http://en.wikipedia.org/wiki/Germany%E2%80%93Soviet\\_Union\\_relations\\_before\\_1941](http://en.wikipedia.org/wiki/Germany%E2%80%93Soviet_Union_relations_before_1941) .

[23](http://en.wikipedia.org/wiki/Hans_von_Seeckt) “Hans von Seeckt,” [http://en.wikipedia.org/wiki/Hans\\_von\\_Seeckt](http://en.wikipedia.org/wiki/Hans_von_Seeckt) . It should also be noted that von Seeckt ended up in 1933 heading the German military mission to Chiang Kai-shek’s Khoumintang forces in China.

[24](#) Oder-Neisse line: the current eastern boundary of Germany, missing the provinces of Lower Silesia, West Prussia, East Prussia, and Pomerania, now in Poland. This line was consistently renounced by West German governments until the beginnings of the government of Willi Brandt, when it began to become a negotiable matter. As I detailed in *The Nazi International*, after the German reunification, under the Kohl Government, German economic pressure began to exert itself in these provinces, as Germans moved into Poland and began buying up old “family lands.” In response, the Kohl Government demanded that Germans in these territories be granted dual citizenship status. (See *The Nazi International*, pp. 234-236).

[25](#) T.H. Tetens, *The New Germany and the Old Nazis* (London: Secker and Warburg, 1962), pp. 63-64. It should be mentioned that the meaning of the controversial verses of the German national anthem, composed in the revolutionary fervor of the 19<sup>th</sup> century, is not what most people think. The verses, composed by August Hoffmann, were meant to emphasize the goal of a united German nation, which, when they were composed in the mid-19<sup>th</sup> century, Germany was not. The first verse of the anthem only took on its associations with German militarism and conquest as a result largely of World War Two. The opening verse of the anthem indicates why, however, it would be highly controversial for Dr. Adenauer to have led in its singing:

Deutschland, Deutschland über alles,



Über alles in der Welt,  
Wenn es stets zu Schutz und Trutze  
Brüderlich zusammenhält,  
Von der Maas bis an die Memel,  
Von der Etsch bis an den Belt,  
Deutschland, Deutschland über alles,  
Über alles in der Welt.

Germany, Germany above all,  
  
Above everything in the world,  
  
When, for protection and defense,  
  
It always stands brotherly together.

*From the Meuse to the Memel,*

*From the Adige, to the Belt*

Germany, Germany, above all,

Above everything in the world.

Obviously, a postwar contender for Chancellor singing about German unity from the Meuse River – inside Belgium and France – to the Memel territory of Lithuania, would be bound to cause political friction.

[26](#) See my *The Nazi International*, pp. 1-12.

[27](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 234.

[28](#) *Ibid.*, pp. 234-235.

[29](#) Such evidence as does exist comes in the form of Nazi documents, which can, of course, be forged. Both the SS and the *Abwehr* had departments specializing precisely in the creation of false documents, nor should it be forgotten that the vast Nazi counterfeiting scheme of English pound sterling notes, Operation Bernhard, was run under the auspices of the



SS's documents forgery division. It would have been a comparatively easy matter, therefore, for the Nazis to have forged documents – and film – of the “execution” of the plotters. To my knowledge, no investigation of this specific assertion of the Madrid Circular has ever been undertaken.

[30](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 237.

[31](#) *Ibid.*, emphasis added.

[32](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 240, emphases added.

[33](#) See my *The Nazi International*, pp. 232-234.

[34](#) T.H. Tetens, *op. cit.*, p. 241.

[35](#) T.H. Tetens, *Germany Plots with the Kremlin*, pp. 241-242, emphases added.

[36](#) T.H. Tetens, *The New Germany and the Old Nazis* (London: Secker and Warburg, 1962), p. 24.

[37](#) T.H. Tetens, *The New Germany and the Old Nazis*, pp. 24-25.

[38](#) *Ibid.*, p. 25.

[39](#) *Ibid.*

[40](#) *Ibid.*

[41](#) *Ibid.*

[42](#) *Ibid.*, p. 26.

[43](#) T.H. Tetens, *The New Germany and the Old Nazis*, p. 26.

[44](#) In the light of evidence presented later in this book, it is perhaps also significant that Britain may have been opposing the United States in addition to Adenauer, for other than Germany, the USA was the biggest supporter of a United Europe.

[45](#) T.H. Tetens, *op. cit.*, p. 27.

[46](#) T.H. Tetens, *The New Germany and the Old Nazis*, p. 27.

[47](#) *Ibid.*

[48](#) *Ibid.*, p. 28.

[49](#) *Ibid.* Tetens also mentions “three informative articles in the *Stuttgarter Nachrichten*” from January 29-31, 1953, and an editorial, *Die Spinne* (The Spider) from the *Bremer Nachrichten* on June 16, 1953. (*op. cit.*, p. 28n.)

[50](#) Ibid., pp. 28-29.

[51](#) T.H. Tetens, *The New Germany and the Old Nazis*, p. 29.

[52](#) Ibid., emphasis added.

[53](#) Ibid., p. 30, citing Alistair Horne, *Return to Power* (New York: Frederick A. Praeger, Inc., 1956), p. 165.

[54](#) Ibid.

[55](#) T.H. Tetens, *The New Germany and the Old Nazis*, p. 39.

[56](#) Ibid., p. 37.

[57](#) Ibid., p. 38.

[58](#) T.H. Tetens, *The New Germany and the Old Nazis.*, pp. 38-39.

[59](#) Ibid., p. 41.

[60](#) Ibid., pp. 41, 43.

[61](#) Ibid., p. 44.

[62](#) Ibid., p. 54.

[63](#) T.H. Tetens, *The New Germany and the Old Nazis*, p. 54.

[64](#) See my *Babylon's Banksters: The Alchemy of Deep Physics, High Finance, and Ancient Religion* (Port Townsend, Washington, Feral House, 2010), pp. 66ff.

[65](#) See the interesting incident regarding the 1952 elections in Schleswig-Holstein, on the Danish border, recounted by Tetens, *The New Germany and the Old Nazis*, pp. 60-61.

[66](#) Ibid, p. 68.

[67](#) See my *Nazi International*, pp. .

[68](#) T.H. Tetens, *The New Germany and the Old Nazis*, p. 73.

[69](#) Ibid., pp. 74-75, see also my *Nazi International*, pp. .

[70](#) T.H. Tetens, *Germany Plots with the Kremlin*, pp. 23-24.

[71](#) Remarks by Dr. Konrad Adenauer, *Rheinischer Merkur*, May 20, 1950, cited in T.H. Tetens, *Germany Plots with the Kremlin*, p. 16. For the whole idea of a "Third Way" and "Third Force," see my *Nazi International*, pp. .

[72](#) T.H. Tetens, *The New Germany and the Old Nazis*, p. 23.

[73](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 16.

[74](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 17.

[75](#) The fly in this ointment, of course, was that the United States effectively reneged on its promise to the Russians not to expand NATO, nor position American forces, close to the borders of the post-Soviet Russian Federation, most evident in the recent events surrounding the American-sponsored crisis in the Ukraine, and the pledge of basing troops in former Warsaw Pact countries such as Poland, Romania and the Baltic States. This suggests, as I have argued in various public blogs, that American actions might be viewed not only as anti-Russian, but as preventative measures to insure its continuing dominance of Western Europe, and the prevention of a more independent German and European policy.

[76](#) Tetens, *Germany Plots with the Kremlin*, p. 77.

[77](#) *Befreiung*, i.e., liberation.

[78](#) T.H. Tetens, *The New Germany and the Old Nazis*, pp. 130-131.

[79](#) In this respect it should be recalled that the ultimate objective of Hitler's *Unternehmung Barbarossa* (Operation Barbarossa) was to reach a line from Archangel to Astrakhan.

[80](#) The contemporary successor to this powerful combine is, of course, the Thyssen-Krupp firm.

[81](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 94.

[82](#) *Ibid.*

[83](#) *Ibid.*, p. 95.

[84](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 97.

**THE RAPALLO PRINZIP : JIHAD , NUKES , AND PROLIFERATION TO THE  
PARIAHS**

*“There is little doubt that the South African nuclear arsenal, having been built up with West German help..., could be made available to the West Germany military...the nuclear fuel cycle in South Africa is complementary to that of West Germany; combined, they represent a formidable combination for the production of fissile materials.”* Barbara Rogers and Zdenek Červenka<sup>1</sup>

**T**HE TREATY OF RAPALLO BECAME the template or principle by which the interwar Weimar Republic extended its international connections to the point that it was able to circumvent the Treaty of Versailles by building weapons factories inside the Soviet Union. These weapons—tanks, aircraft, heavy artillery—were then tested by the German military inside the Soviet Union in secret military cooperation agreements with that nation. In this arrangement, one may detect two principles in operation that, greatly expanded upon the international stage, would become the operative watchwords for postwar Germany, and the group of Nazi or pro-Nazi individuals that drove its policy:

- 1)Both Germany and the Soviet Union were, after World War One, *pariah* nations, isolated diplomatically;
- 2)Both nations took advantage of this status to work out mutually beneficial trade and secret military cooperation agreements. In Germany’s case, this meant using another nation and its facilities as a proxy by which to develop military technologies that were forbidden to it.

It is this use of *pariah nations as proxies* that became one guiding principle of postwar German policy.

Such tactics were not merely advocated in secret as in the Madrid Circular, but openly in German media friendly to Chancellor Adenauer’s

government. The *Frankfurter Allgemeine Zeitung*, for example, on March 15, 1952, ran an editorial which openly advocated another “Rapallo” arrangement between Germany and Soviet Russia:

What can Russia win if she plays her trump card?...In order to jump out from her present isolation she can, exactly as the Rapallo Treaty did 30 years ago, place Germany as a protecting buffer between East and West. From the politico-economic point of view, she could repeat the old game for world power position by concluding long-term agreements with German industry and by reviving her trade with Germany. Thus, Russia might re-open the door to the world market.<sup>2</sup>

Consequently, one must look for continuity and consistency in German foreign policy from regime to regime, rather than difference. If there is a difference between post-World War Two policy and the interwar Rapallo template, it lies only in that fact that post-World War Two German policy makers did not restrict the application of the Rapallo *Prinzip* simply to Russia alone. It became a template of action and policy for all manner of pariah states and institutions, among them, not surprisingly, the Islamic concept of jihad, or holy war.

### *A. Jihad: Made in Germany*

#### *1. Railroads, Jihad and The Kaiser*

Many people are surprised to learn that the modern concept of jihad was made as much in Germany as it was in the world of Islam. Indeed, the idea was very much in Kaiser Wilhelm II's and one of his close advisors' heads, Freiherr (baron) Max von Oppenheim, when in 1898 the Kaiser undertook his now famous (or infamous) tour of the Middle East, stopping at the Sublime Porte to consult with the Sultan of the Ottoman Empire and his advisors, thence on to Jerusalem where he stopped to honor the famous Muslim military commander, Saladin, at his grave,<sup>3</sup> and thence to Damascus where he gave a famous but now all but forgotten speech. Wilhelm's aim was to create the requisite political atmosphere to complete one of his pet projects, the Berlin-to-Baghdad Railroad. In the Kaiser's view, such a railroad would link the Middle East to Berlin and open its

markets to German products, and, of course, allow the rapid transfer and projection of German military power into the region and its emerging and developing energy resources, while challenging British power in the region. Wilhelm even entertained the idea of extending the railway through Iran, and into India.<sup>4</sup> The key to this project was the decaying Ottoman Turkish Empire, then dominant not only in Asia Minor but in the Fertile Crescent and much of the Arabian Peninsula.

It was on this tour, during the speech he gave in Damascus in November of 1898, that Wilhelm publicly proclaimed himself “the protector of over three hundred million Mohammedans...”<sup>5</sup> In doing so, Wilhelm was following the conceptions of Baron von Oppenheim, the noted Orientalist, who viewed Islam as an untapped force, and sought to aid in the creation of a pan-Islamist movement toward that end. We shall return to von Oppenheim shortly.

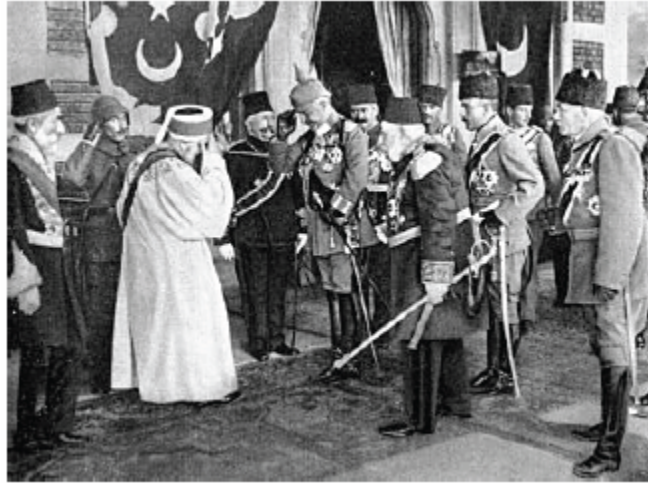


*Kaiser Wilhelm II on his famous 1898 Middle East tour*





*Kaiser Wilhelm II and Ottoman Sultan Mehmet II in Istanbul*



*Wilhelm II with Ottoman Officials*



*Kaiser Wilhelm II and Kaiserin Augusta Victoria entering Jerusalem, 1898*

Wilhelm was consistent in this vision of promoting himself and using his monarchy as a jihadist revolutionary tool of war, for during the post-Sarajevo crisis that led to the outbreak of the First World War, he wrote in the margin of a diplomatic cable that “England must...have the mask of Christian peaceableness (sic) torn publicly off her face...Our consuls in Turkey and India, agents, etc., must inflame the whole Mohammedan world to wild revolt against this hateful, lying, conscienceless people of hagglers...”<sup>6</sup> Such ideas were not, however, simply the wild ideas of

Germany's famously erratic and moody Emperor. They represented "the whole weight of Germany's official policy—the continuation 'by other means' of the Eastern policy initiated in the mid-1890s."<sup>7</sup> This included Germany's alliance with the Ottoman Empire on August 2, 1914, concluded for the express purpose of "unleashing a pan-Islamic movement."<sup>8</sup>

## 2. *Germany, the Ottoman Empire, and the First Modern Jihad Fatwa*

If there was one individual who more than any other deserves the credit for reviving and inflaming the concept of jihad in modern times, it was the German Orientalist Max Freiherr von Oppenheim. In von Oppenheim's hands, the jihadist concept was "nothing less than the weaponization of religion in the service of German territorial ambitions; and it was a weapon that could be wielded with cold efficiency only by those who had no religious sensitivity themselves."<sup>9</sup> So pervasive was von Oppenheim's influence on the formation of the Kaiser's *Mittelostpolitik* and its deliberate use of the concept of jihad that one modern German researcher and sharp critic of Berlin's Middle Eastern policy, Matthias Küntzel, has qualified the contemporary phenomenon of Islamicist jihad as "made in Germany."<sup>10</sup>

Von Oppenheim (1860-1946) was a son of the Jewish banking dynasty of the same name, which had converted to Catholicism in 1858 to marry into nobility. He abandoned a career in diplomacy—though never completely severing his contacts with the German Foreign Ministry—to pursue archaeological interests in the Middle East, learning Arabic in university.<sup>11</sup> The fact that von Oppenheim maintained his contact with the German Foreign Ministry suggests that von Oppenheim may have been acting as an espionage agent and *agent provocateur* during his years touring and excavating the Middle East. In any case, by the outbreak of World War One von Oppenheim was back in the Foreign Ministry, summoned to Berlin. Once there, he was tasked

with the detailed preparation of a jihad campaign. At the end of October 1914 he presented his 136-page "Memorandum Concerning the Revolutionizing of the Islamic Territories of our Enemy." In it he proposed that this should be a joint German-Turkish campaign, in which Muslims would be incited to jihad in their own languages, with



the aim of weakening the enemy and alleviating the pressure on the main European fronts. The Germans, according to Oppenheim, should run the campaign with money, material, and personnel, while the Ottomans would proclaim it and implement it militarily.<sup>12</sup>

These detailed plans found public expression in Wilhelm's desire to foment "the whole Mohammedan world in a wild revolt"<sup>13</sup> against the British. The Chief of the German General Staff, Field Marshal von Moltke, echoed these calls, by stating that it was time "to arouse the fanaticism of Islam," and the Kaiser cabled the Turkish War Minister Enver Pasha that "His Majesty the Sultan must summon the Muslims of Asia, India, Egypt, and Africa to a holy war for the Caliphate."<sup>14</sup> This is one of the first times that the idea of a pan-Islamic Caliphate was mentioned in the context of a holy war by a modern leader. It was Oppenheim's friendship with the Sultan and also with the Grand Mufti of Jerusalem,<sup>15</sup> Al Husseini, that would make such a policy feasible.

The Kaiser, who obviously held similar ideas to von Oppenheim, gave this memorandum his approval,<sup>16</sup> and thus on November 14, 1914, "On the Sultan's instruction, the highest Ottoman jurist in Constantinople issued a fatwa declaring the 1914 jihad the personal duty of every Muslim. At the same time, he threatened all Muslims who 'fight against the allied Ottomans, Germans, and Austro-Hungarians' with 'the punishment of Hell.'"<sup>17</sup> As Matthias Küntzel observes, this is a unique departure, or rather, perversion of the concept of jihad, for it was "undoubtedly the first jihad fatwa in history that declared the struggle against *specific* unbelievers to be impious."<sup>18</sup>



*German Orientalist and Arabist Max Freiherr von Oppenheim, Orchestrator of Germany's World War One Jihadist Policy*

This policy was not without its contemporary critics, for in 1915, Dutch Orientalist Christiaan Snouck Hurgronje, an advisor to the Royal Dutch Government, published a critique of von Oppenheim's policy with the revealing title "Holy War, Made in Germany."<sup>19</sup> Hurgronje's chief criticism was prophetic—as we shall see in the case of Iran—for he pointed out that many intellectuals in Islamic countries had come to hold a general conviction "that the mediaeval mixture of religion and politics, which the system of Islam wanted to uphold for ever(sic), is not of our times."<sup>20</sup> Hurgronje warned that by stirring the stew of jihad, the Islamic world would only be held back in a repressive mediaevalism by closing down the growing voices within Islam itself at that time for a reform of the culture.

The criticism fell on deaf ears, however, for as the war got underway, von Oppenheim created an intelligence unit which was but a center for directing jihadist activities. This center, the Oriental Intelligence Unit, was filled with carefully chosen personnel, from German Orientalists to "Muslims from Persia, Turkey, the Caucasus, Georgia, India, and North Africa, along with eleven translators and eleven other support staff. The Unit was tasked with stirring up the Muslim population of the French and British overseas possessions from North Africa to India."<sup>21</sup> By December 1915, Oppenheim's group had published over five thousands magazines, pamphlets, and newspapers, "with print runs of between 2,500 and 26,000 copies" with its total output of jihadist literature being "some 2.5 million items."<sup>22</sup> Even Gustav Stresemann, widely regarded during the interwar period as one of Germany's more capable statesmen and Chancellors and as

a man of peace, toured Turkey in 1916, and gave Oppenheim's jihad group his enthusiastic approval.<sup>23</sup>

The consequences of von Oppenheim's jihadism are unfortunately still with us, for it secularized the concept by detaching it from standard Koranic doctrine and practice, for which only a restored and reunited Caliphate could issue a call for offensive jihad, since the Caliph was regarded as "God's representative on Earth and the only one entitled to decree such a war."<sup>24</sup> Von Oppenheim's concept effectively detached the idea of jihad from that of the Caliphate and leaving it not only in the hands of individual Muslim clerics, but allowing the idea of a "partial jihad" against certain specific groups of "infidels" rather than a universal matter against all non-believers.<sup>25</sup> Von Oppenheim also advocated new *techniques* of jihad, for in the Ottoman fatwa of 1914, the concept was no longer restricted to field armies and conventional battles, but now also incorporated guerilla tactics of terror cells and isolated assassins and murders.<sup>26</sup> These secularized or modernized notions of jihad made its way into the thinking of the Muslim Brotherhood of Egypt, and hence, is with us still.<sup>27</sup>

### 3. Germany, Jihad, and Iran

The Ottoman Empire was not, however, the sole instrument on which von Oppenheim played his jihadist music; the other—one with implications which persist to our own times—was Persia. Indeed, how "Persia" became "Iran" is also a part of this story, and once again, long-term German economic and geopolitical interests are in the thick of it.<sup>28</sup> Germany's long association with Iran can thus be traced to Oppenheim's influence on the formation of long-range German policy under the Kaiser, a policy that continued under Hitler and the Nazi regime with little to no change:

During the First World War, Kaiser Wilhelm succeeded in getting himself acclaimed by traditional Shiites as "Hajj Wilhelm Muhammed" and a hero in the struggle against Persia's archenemies, Russia and Britain. Two decades later, Shiite clerics rediscovered this passion for Germany. Now, Adolf Hitler was deemed Muhammed's successor and the Shiite Messiah. The especially close relations of the Nazi period reverberate to this day. For example, in 2008, Hashemi Rafsanjani, the

former Iranian president, held up the strategic alliance between the two countries in the Second World War as a model for today.<sup>29</sup>

Here, as elsewhere, it was von Oppenheim's 1914 memorandum that laid out the German policy.

However, in the case of Iran, there was a long-term consequence, not only for that country, but for the rest of the world, that persists to this day. Urging that Germany incite the extremist and fundamentalist clergy in rural Persia and back it with what essentially amounted to money in the form of bribes or tribute,<sup>30</sup> the Persian Shiite clergy issued their own version of Oppenheim's "partial jihad" Fatwa in 1915. The Shah was encouraged to enter the war on the side of the Central Powers, and threatened to be replaced if he did not.<sup>31</sup> The long term consequence of Germany's Iranian policy was exactly that predicted by the Dutch Orientalist Hurgonje: it marginalized the modernist and moderate Muslims who wanted to change the nature of their culture and end the mediaeval backwardness imposed on them by strict observation of Koranic precepts:

Max von Oppenheim's memorandum had not, however, taken account of the pro-German Persians of the Democratic Party. They were taken aback by the German empire's sudden jihad mania. They had broken from medieval Islam and embraced the modern world: how could they now be expected to wax enthusiastic for jihad? The report on the discussions with the Democratic Party sent by the German chargé d'affaires von Kardoff to the German Chancellor on March 20, 1915, is telling.

The "holy war," he wrote, "has been received by the Democratic Party with reserve and even with a kind of supercilious reticence. The recently enlightened Democrats, who, along with their break with other old institutions, are no longer willing to comply with the strict dogmas and customs of religion, saw themselves, as regards the jihad concept, which they consider based on outmoded ideas, faced with a situation that presents an unreasonable demand to their modernism.... Each of my meetings with the Democratic Party leader, Suleiman Mirza, has had the goal of overcoming these reservations." Not without success, as von Kardoff would later report: "While the government at first refused

to call for a holy war...we succeeded in gradually getting the Democratic Party accustomed to the idea of using jihad as a pacemaker.” [32](#)

This policy not only made the growth of a moderate Shiite Islam next to impossible, but it had such long term repercussions that when the Khomeini revolution overthrew the Shah in 1979, not surprisingly, it was Germany alone that of Western nations continued friendly relations with the new regime, [33](#) relations that had, of course, also been friendly under the Shah.

The reality underlying this continued relationship was more than just political—it was economic. Germany’s share of Persia’s/Iran’s trade had consistently been the largest of any western Power since the days of the Kaiser, but under the Nazi regime it ballooned until the British-Russian invasion of August 1941 put an end to it. By 1941, Germany’s share of Iranian imports was forty-three percent, almost half of the nation’s imports, and similarly, its share of Iran’s exports was forty-seven percent. [34](#) This changed, of course, during the Anglo-Soviet invasion in 1941. Russia desperately needed Allied logistical support and weapons, and the route which offered the least chance of Axis interdiction was through Persia/Iran. The invasion succeeded in opening the route for Allied supplies, but it also succeeded in reinforcing tradition Persian antipathies against the Russians and British. [35](#) The Shah, Reza, openly sympathetic to the Nazis, and who in 1934 on Berlin’s urging had changed Persia’s name to Iran—Farsi for “Aryan”—in order to emphasize the supposed racial commonality with the German people, [36](#) was removed by the Allies.

Prior to his removal, however, one encountered once again the Rapallo *Prinzip*, as German financial and military advisors, including Reichsbank President Hjalmar Schacht (whom we will encounter *again* in connection with Iran) and Hitler Youth leader Baldur von Schirach, visited Tehran, [37](#) in the 1930’s to cement the ties that had begun under the Weimar Republic, which had used Iran, as it had used the Soviet Union, to build German armaments factories and equipment outside of Germany, circumventing the Treaty of Versailles and the Allied military attaches combing the country searching for any sign of German rearmament. The firms of Krupp and Rheinmetall-Borsig both built plants in German-friendly Persia, a move

perfectly in accordance with Reza Shah’s own ideas for modernizing his army.<sup>38</sup>

Even though Reza Shah Pahlavi had been ousted by the Allies, it was not the last time Iran, or the world, would hear of the Pahlavis, nor was it the end of pro-German sympathies in that nation, for throughout World War Two, Iranian partisans, with German intelligence support, sabotaged Allied shipments.<sup>39</sup> For the moment, however, we must leave Iran, and focus on another manifestation of the Rapallo template: the pursuit of forbidden weapons via proxy states.

## *B. The Rapallo Prinzip Goes Nuclear: The Secret Collaboration on South Africa’s Bomb*

### *1. The Early Phase: Secret Projects, Open Pledges, and an Uncomfortable Question*

In 1952, when the rubble of the Second World War in Europe was still being cleaned and carted away in what was now the Western Zone of occupied Germany, the famous—or rather, infamous—armaments firm of Krupp had successfully begun a project in the town of Jülich, a mere twelve miles from the border with the Netherlands. The project was something of a secret, and could only be reached by a circuitous drive, and even then, one had to have a pass to enter the facility. The Krupp firm had, of course, established its notoriety in the First World War as not only providing the bulk of Germany’s prodigious artillery forces, but as having secretly built the road mobile 16.5” “Big Bertha” siege guns that had stunned the Allies in 1914, and the even more fantastic “Paris Gun” (or, as the Germans called it, the *Kaiser Wilhelm Geschutz*), the 8” gun that had shelled Paris in 1918 from over 70 miles away, making its projectiles the first manmade objects in modern times to enter the lower regions of outer space. It was the Krupp firm that had built the enormous—and enormously impractical—31” railroad gun, “Gustav,” whose enormous 7 tons shells had helped level the Russian fortress city of Sevastopol in 1942.<sup>40</sup>

But the Jülich project dwarfed those efforts both for the enormity of the engineering involved and the potential for military use and mass destruction. Eventually, following the circuitous road to the town, one would have arrived at a black and white striped gate and an armed guard.

Presenting your pass, you proceeded through a maze of streets (without a thorough advance briefing, no one could hope to negotiate it) to a second gate marked **ATOMKRAFTWERK** and produced your credentials for a second armed sentinel. Beyond that, in a heavy forest, stood Alfried's pride, a tall, queerly shaped structure bearing the familiar three rings and the sign **A TOMREAKTOR**.

The Kruppianer there called the fifteen-megawatt test reactor KFA, short for Kernforschungsanlage (Nuclear Research Plant). Partly subsidized by a Bonn ministry, it was founded by a Konzern subsidiary, the BBC-Krupp Institut für R-Entwicklung (Institute for Reactor Development). If your papers were in order, the youthful director, Dr. Claus von der Decken, *would explain how Krupp ingenuity achieved a critical mass in 1967...*

The new pile, Dr. von der Decken explained, would be a breeder reactor. To a layman this was portentous: *"After the pilot works, you can get plutonium from the breeder, and with that you can hatch a plutonium bomb."* He added, "This one will only produce juice for the power stations, of course." Of course. *Krupp's U-235 was provided by the U.S. Atomic Energy Commission.* <sup>41</sup>

These revelations suggest nothing less than that by 1967, West Germany, through the Krupp firm's nuclear "research" project in Jülich, had:

- 1) Produced enough plutonium—a "critical mass"—for an atom bomb; and,
- 2) Even if this reading be untrue, had completed the entire nuclear fuel cycle to do so, if it wished, and given West Germany's access to other nuclear fuels such as deuterium and tritium, could easily construct a far more destructive hydrogen bomb, if it chose to do so. Indeed, as we shall see later in this chapter, there is evidence from Russian sources that Germany is indeed a *de facto* nuclear, if not thermonuclear power.

But we are getting ahead of the story.

In spite of his reputation as a playboy, under the determination of the Krupp firm's last director, Alfried Krupp, West Germany had begun its



covert quest for nuclear power shortly after his release from prison in 1952. Notably, Krupp, who had been sentenced to twelve years imprisonment and forfeiture of all property, a sentence basically meaning that the firm of Krupp was to be dissolved, U.S. High Commissioner for Germany, John J. McCloy, the American lawyer for I.G. Farben who had shared Hitler's box at the 1936 Olympics (and subsequent Warren Commission member), pardoned Krupp after only three years, and reversed the decision on the forfeiture of his property.<sup>42</sup>

The obvious questions that the Krupp-Jülich project raises are rather important: (1) how, in the postwar devastation, could Krupp have even hoped to undertake such a long-term and costly project, requiring the most precise engineering, and (2) how could he have hoped to do so under the watchful eyes of the Allies occupying Germany? One clue is afforded by the fact that the American Atomic Energy Commission supplied him with the uranium-235 for his breeder reactor. But that too raises questions. What deals or leverage did the Germans have to pull off such a transfer of important nuclear fuels, much less to have closed the nuclear fuel cycle by 1967?

Whatever the public explanations may be, one must remember that alternative explanations may lurk behind the scenes, scenarios I have presented in preceding books, namely, that Nazi Germany may have tested an atom bomb in 1944. This implies that it had closed the nuclear fuel cycle before the end of the Second World War, and that through highly secret deals with the Americans, perhaps negotiated by Nazi Party *Reichsleiter* Martin Bormann himself, it had transferred at the very end of the war enough stocks of enriched U-235 to the USA along with other prized atomic secrets and technologies including infrared proximity fuses, uranium and fuses which had made their way into the Manhattan Project.<sup>43</sup> In other words, perhaps, behind the scenes, Bormann and Co., A.G., had begun to call in some of the markers. In any case, if these speculations about Krupp's atomic "research" breeder reactor be true, then they would afford further postwar corroboration of the thesis that Nazi Germany's wartime atomic research was not nearly the backward affair that postwar Allied legend portrayed it to be.

## 2. *The Postwar German Nuclear Industry and I.G. Farben*



*a. Rebus Sic Stantibus, and Just Another Form of Artillery*

There is yet another postwar indicator that the Allied legend of wartime German nuclear incompetence was not true, and that was the negotiations taking place with the Adenauer government at approximately the same time that Krupp had begun his postwar nuclear projects. Adenauer, who had once referred to nuclear weapons as “just another kind of artillery,”<sup>44</sup> had, in the 1954 Four Power Treaty between the USA, France, the UK, and the Federal Republic of Germany, pledged that Germany would not manufacture atomic, biological, or chemical weapons.

This was, however, a pledge with a loophole, and additionally, with a unique Rapallo seasoning added to the recipe for good measure. As was seen in the first chapter, the postwar Madrid Circular advocated a kind of “brinkmanship” and “blackmail” diplomacy for Germany, whereby the mere threat that the Western Zone would opt for neutrality or even a Communist takeover could be used as leverage against the Western Allies to allow a new sovereign nation to be created from the Western Occupation Zones, one with full rights to rearmament. On the American view, as will be seen in a subsequent chapter, this meant that Germany was treated more as “tomorrow’s ally,” whereas for the United Kingdom and France, Germany was, understandably, “yesterday’s enemy.”<sup>45</sup>

On October 1, 1954, in a deal brokered by Eisenhower’s Secretary of State, John Foster Dulles, West Germany joined the European Defense Community. French agreement had been purchased at the cost of the West German pledge “not to manufacture *in its territory* ...atomic, biological and chemical weapons.”<sup>46</sup> The loophole, and the Rapallo *Prinzip* are immediately evident, for the manufacture of tanks, artillery, and aircraft which had been forbidden to Germany by the Treaty of Versailles were conveniently circumvented by the building of German factories to manufacture such weapons in the territory of the Soviet Union by the secret protocols of the Rapallo Treaty. Thus, in 1954, one already faced the specter of an *extraterritorial* nuclear program,<sup>47</sup> one which, at least in its public “narrative,” had been exposed by Juan Perón in his press conference of 1951, announcing the “fusion project” of scientist Ronald Richter!<sup>48</sup>

De Gaulle’s supporters in France were not fooled by Adenauer’s guarantee, for they pointed out that “uncontrolled German development of atomic energy for commercial purposes would, in effect, mean access to

atomic weapons.” [49](#) Only when Adenauer agreed to limit German production of uranium for a period of two years did the French finally relent, and even then, it must be recalled that the French embarked on the production of their own nuclear and thermonuclear weapons and the construction of their own nuclear deterrent, the *force de frappe*, in the aftermath of German rearmament and the beginnings of the postwar German nuclear program.

But this was not the only reason for French concern over Adenauer’s original unilateral pledge in 1954. At the conference in London at which Adenauer made his pledge, attended by U.S. Secretary of State John Foster Dulles, a bit of theater was acted out—quite deliberately—by Adenauer and Dulles for the benefit of the ears of the other diplomats:

Adenauer described Dulles’s reaction after he made the non-nuclear pledge in the following words:

“Dulles rose from his seat on the other side of the Conference table, walked to me and spoke in a loud voice so that everybody would hear it. “Mr. Chancellor, you have just declared that the Federal Republic of Germany renounces the production of ABC weapons. You meant this declaration, I assume, to be valid only *rebus sic stantibus*, as all declarations and obligations in international law are.” I answered him equally loudly. “You have interpreted my declaration correctly.” The others remained silent.” [50](#)

*Rebus sic stantibus* means basically “as the reality stands,” in other words, as the situation requires. As a term of art in international law, therefore, it means that any nation undertaking or committing to a specific course of action or, in this case, self-limitation, is doing so under certain conditions and circumstances, and that it reserves “the right to abrogate its international commitment whenever the conditions under which that State agreed to it have changed.” [51](#) The meaning of Dulles’s and Adenauer’s little bit of drama was therefore not lost on the other diplomats.

But it may have been a bit of distraction as well, for the sum total of the pledge Adenauer was making allowed Germany *two* ways to outflank the pledge, firstly by invoking the principle of *rebus sic stantibus*, but secondly,

by making use of the Rapallo *Prinzip* to produce nuclear weapons *outside of Germany*, via proxy states and corporate interests. [52](#)

*b. Cartelization: a New Mechanism of Sovereignty and Technology Transfer:*

*The Postwar German Nuclear Establishment, I.G. Farben, and the Nazis*

From August 8<sup>th</sup> to August 20<sup>th</sup>, 1955, an important meeting took place in Geneva, Switzerland, on the peaceful and commercial uses of atomic energy. West Germany, which had sent a large delegation to this conference, a delegation that included wartime atomic scientist Dr. Otto Hahn, the discoverer of nuclear fission, and another wartime German atomic scientist, Dr. Karl Winnaker, director of *Farbwerke Hoechst*, met their counterparts from the South African delegation. [53](#) It is this meeting that affords our entry into the some of the workings of the postwar Fascist International, and hence, which also affords an important glimpse at some of the standard “operating procedures” within the so-called—and quite misnamed—European Union.

Present in this meeting are all the ingredients of the Rapallo template: a proxy state, namely South Africa, which, like the Soviet Union and Weimar Germany of the 1920s, was increasingly a pariah nation on the world stage due to its white minority government and domestic policy of apartheid. The other pariah nation, seeking to circumvent Allied weapons restrictions by using South Africa as a proxy state to develop advanced weapons, was, of course, West Germany. South Africa had additionally a unique advantage as a proxy state for a covert nuclear weapons program, in that it had abundant deposits of a natural resource vital to atomic weapons research and development: uranium.

There is, however, another aspect of the Rapallo Template at work. The presence of Dr. Winnaker, Director of the powerful German multinational chemicals firm of Hoechst, [54](#) one of the component companies along with Bayer, and BASF (*Bayrischen Anilin und Sodafabrik*) that had gone to found the notorious and notoriously powerful German chemicals cartel, I.G. Farben, a cartel so huge and so powerful that the postwar American prosecutors at Nuremberg stated the Nazi war machine *was* I.G. Farben. [55](#) This is yet another important clue how the postwar Nazi International

worked: *through cartel and licensing agreements, such that it would quite literally become a thermonuclear power in its own right, with access to all the aspects of the nuclear fuel cycle, and able to build or assemble weapons through a greatly dispersed production system.*

It could, without much exaggeration, be stated that West Germany's nuclear program was simply the continuation of Nazi Germany's, and that at the heart of it, lay the component chemical companies that had organized and founded the cartel.<sup>56</sup> Indeed, on March 15, 1976, the German magazine *Der Spiegel* published a chart of the organization of the West German nuclear industry, and it reads like a Who's Who of wartime Nazi atom bomb research and the companies involved in it: Bayer A.G., Hoechst A.G., Degussa, Siemens, A.E.G. A.G. (Allgemeine Elektrizitäts Gesellschaft, A.G., the firm so closely tied to the Nazi Bell project and to Dr. Ronald Richter's postwar "fusion" project in Argentina<sup>57</sup>), and of course, the big German banks, Dresdner and Deutsche Bank.<sup>58</sup> The goal of this vast project was consistent from the Nazi period on into postwar West Germany: to obtain a complete and autonomous fuel cycle in independent German hands,<sup>59</sup> the prerequisite for any viable and sustained nuclear or thermonuclear weapons program.

To put these developments and their implications as succinctly as possible, when a nuclear and thermonuclear weapons program is combined with a powerful internationally extended, but nonetheless "nationalistic," cartel such as I.G. Farben or its "smaller" constituents, one has not only a powerful mechanism for technology transfer, but *a new form of "sovereignty"* and the ability to manufacture such weapons by *dispersing* component manufacture throughout the cartel organism. As we shall see, covert cartelism, or corporatism, has its footprints all over the European Union.

### *c. South Africa, The German Nuclear Cartel, and the Non-Proliferation Treaty*

The outlines of the postwar nuclear application of the Rapallo Template thus become evident, for South Africa had the uranium, the money, and the technical expertise, but not the technology (nor was anyone in the world willing to sell it to them), and West Germany had the money, the technology, but could not afford to undertake covert nuclear weapons

development and testing inside of Germany. It needed a proxy willing to manufacture and test a bomb of German design, produced by a fuel cycle “made in Germany.”

All of this, however, would have remained conjecture save for one event that exposed the whole secret “Nuclear Axis” between West Germany and South Africa (and later, as we shall see, Israel). In September 1974, the South African ambassador in Bonn hit the official panic button, for he had discovered that 9 files, detailing nuclear technology transfers and secret German-South African nuclear coordination, had been stolen. Indeed, some of the files contained revealing information that a secret visit to South Africa by a *Luftwaffe* general were for the express purpose of an inspection tour and further detailed military and nuclear coordination.<sup>60</sup>

On September 25, 1974, the South African ambassador to Germany received a plain brown envelope that revealed who had stolen the files. Inside the envelope was a full color pamphlet printed by the outlawed African National Congress. The title of the pamphlet was “The Nuclear Conspiracy,” in which some of the stolen files appeared, along with other classified German and South African documents. The thesis of the brochure was quite simple: West Germany “was helping South Africa to produce a nuclear bomb,”<sup>61</sup> or to put it more clumsily but more accurately, West Germany was helping South Africa to help West Germany to acquire a nuclear weapons capability. South Africa was the “new Rapallo’s” Soviet Union, to the Weimar Republic’s *Bundesrepublik Deutschland*.<sup>62</sup>

While both countries had ample geopolitical circumstances that compelled them to employ an updated version of the Rapallo Template for their nuclear coordination, yet another factor contributed to it, and that was the Nuclear Non-Proliferation Treaty of 1968, to which West Germany was a signatory, but South Africa was not.<sup>63</sup> While we shall explore the implications of the Nuclear Non-Proliferation Treaty in our considerations of the nuclear politics and coordination of Germany and Iran, it is important for the reader to bear in mind that what will be said there, is equally applicable, if not more so, in the case of Germany and South Africa during the 1970s, for unlike Iran, South Africa was *not* a signatory at that time to the treaty.

In any case, with West Germany’s assistance, South Africa was able to acquire the technical capability to produce nuclear weapons, and by the late

1970s, both France and the Soviet Union categorically insisted that it was doing so.<sup>64</sup> Like India at approximately the same time period, South Africa cloaked its program by claiming it was researching “so-called ‘peaceful nuclear explosions’”<sup>65</sup> and, additionally, earth tremors detected in the Namibian desert, at the time under South Africa’s control, were understood by many to be underground nuclear weapons tests.<sup>66</sup> Indeed, West Germany’s *Bundeswehr* made public to *Der Spiegel* what it knew already via its covert cooperation with South Africa, namely, that the African nation possessed atomic weapons.<sup>67</sup>

But what about Israel?

Oddly enough, Israel, which is widely thought to have obtained its nuclear weapons technology and fuels from the United States, actually obtained much of it from the secret German-South African nuclear axis (as well as from France) via an ingenious mechanism of transfer:

Israel apparently also obtained nuclear material from West Germany and France, but because these governments did not want to be seen collaborating with Israel, *fake hijackings were arranged*. By 1968 Israeli scientists were perfecting their technique of enriching low-grade material, and a deal was made with West Germany to trade certain expertise for 200 tons of yellowcake. While idling in the calm seas of the Mediterranean in November 1968, the West German freighter *Scheersberg* was ‘raided’ by commandoes, and 200 tons of yellowcake were removed.<sup>68</sup>

By August of 1977, American and Soviet spy satellites had convinced experts that South Africa was getting ready to test an atom bomb in the Kalahari Desert, a bomb many experts were convinced was of Israeli design.<sup>69</sup>

However, a little reflection on this strange *troika* of pariah nations will reveal the extension of the Rapallo *Prinzip* at work, for it is far more likely that the bomb reflected the joint expertise of Israel, South Africa, and West Germany, with the latter obviously possessing the lion’s share of that expertise, for without any doubt, all three nations desired to close the nuclear fuel cycle, and to possess an independent nuclear option.



South Africa had the uranium and the expertise, but not the money nor production capacity;

Israel had the expertise, and a little money, but no sources of uranium for its enrichment process; and,

West Germany had lots of money, a production capacity dwarfing the other two nations, the expertise, but like Israel, no independent access to sources of uranium as feedstock for its enrichment cycle.

It was a *ménage á trois atomique* “made in Germany.”

Where did all of this secret nuclear cooperation leave western Europe’s largest economy in the mid-1970s? A Swedish institute projected West Germany’s capacity to manufacture atom bombs, *for 1976 alone*, to be around 100 bombs per year. Add some lithium-deuteride and some U-238, shake and stir, and one has 100 3-stage *hydrogen* bombs. By the 1990s, “the Clinton administration voiced concerns about certain German nuclear projects, notably the storage of some *2.5 tons of plutonium* with no conceivable civilian use in a bunker in the German city of Hanau and the controversial use of highly enriched uranium in a research reactor in Garching near Munich.” [70](#) “No conceivable civilian use” is but a euphemism for the strong possibility that this plutonium was weapons-grade Pu-239. As we shall discover near the end of this chapter, there is other strong evidence that Germany is a *de facto* nuclear and thermonuclear power. But the road to this conclusion lies through Tehran.

### *C. Iran’s Nuclear Program and Germany*

#### *1. The Coup Against Mossadegh*

Volumes have been written about the post-World War Two history of Iran, from the coup against Mossadegh, to the overthrow of the Shah, Reza Pahlavi, to the Iran hostage crisis. The details are all public and well known. But some of those well-known details—like all such obvious things—are often quickly passed over, and the uncomfortable questions that they raise are never voiced.

Those questions are raised by the personnel one encounters. For example, the wartime Iranian Radio Zeesen announcer Bahram Sharokh became the “propaganda chief of Iranian Radio without any protest from

the Allies,” [71](#) in spite of the fact that he had told the Nazi ambassador in Tehran, Erwin Ettl, that “the hatred of the Iranian people for the English, Russians, Americans, and Jews must be whipped up as high as possible.” [72](#) Nor was this all. By 1952, the pre-war Nazi-Iranian commercial network was essentially restored, when a new joint Iranian and German Chamber of Commerce was established in Hamburg under the leadership and auspices of one Reinhard Hübner, who had been, during the war, “an Eastern affairs expert in Goebbels’s Propaganda Ministry” and, in 1936, the “secretary of the 1937 German-Iranian Chamber of Commerce.” [73](#)

Even this was not the only manifestation of Nazi continuity in the postwar foreign service of West Germany, for even the first postwar West German ambassador to Tehran, Lutz Gielhammer, had a dubious past, having been in 1938 “a member of the Central Financial Management of IG Farben, and in 1940-41 he became the German economic delegate in Afghanistan.” [74](#) Gielhammer became the German ambassador mere days after the CIA-sponsored coup against Prime Minister Mohammed Mossadegh. [75](#)

But it is the “CIA”-sponsored coup against Mossadegh that, for our purposes, requires the most scrutiny, for like the CIA-sponsored coup against King Farouk in Egypt, while people like Kermit Roosevelt in Washington may have been “running” things remotely, the actual boots on the ground were, as in the case of Egypt, “former” Nazis. The litany of pre- and post-Mossadegh Nazi connections, and hence so far as Germany was concerned, continuity and influence within Tehran, is nothing less than breathtaking. German researcher Matthias Küntzel lays out those “unspoken questions” in no uncertain terms:

The Nationalists around Prime Minister Mohammed Mossadegh were no less pro-German than the forces that overthrew him in 1953. *In 1952 the Mossadegh government chose as their economic advisor none other than Hitler’s former finance minister, Hjalmar Schacht, the very same Hjalmar Schacht who had been dispatched to Tehran in 1936 at Hitler’s behest. In the same year Mossadegh sent his economics expert Ali Amini to Bonn with the task of recruiting hundreds of German oilmen to replace the British experts after the planned nationalization of the Iranian oil industry.* [76](#)



It was, of course, this very planned nationalization that led the British government to pressure Bonn to back down on sending the oilmen to Tehran, and which led the British to request CIA assistance in the overthrow of Mossadegh.

It is here that the unspoken questions surface in an acute form, for on the German side of the equation, little changed:

The overthrow of Mossadegh in 1953 brought the hard core of pro-German Iranians to power. The new prime minister was General Fazlollah Zahedi, who had been one of the Abwehr and SD's closest collaborators during the Second World War and who had as a result been arrested by the British in 1942. If Zahedi had indeed acted with CIA support, wrote *Der Spiegel* in 1953, "then this would not have been the first time in postwar history that former German contacts had transferred their loyalties to the Americans."

Ambassador Gielhammer made no secret of his joy at Mossadegh's overthrow and congratulated Zahedi for saving his country from the clutches of communism. He was not the only one to feel this way. Former Wehrmacht Lieutenant-Colonel Bernhardt Schulze-Holthus, who as an Abwehr agent had striven to undermine security in southern Iran during the war, lauded Zahedi's coup as an anti-communist popular uprising comparable to the pro-German "uprising" of 1941-44.  
[77](#)

By 1957, when Chancellor Adenauer himself visited Tehran, the stage was set for the agreement between the Chancellor and the new Shah for the opening of German "vocational schools" in Iran to provide teachers, equipment, and training.  
[78](#)

The unspoken questions here are quite simple: how, in spite of a coup to overthrow Mossadegh and prevent the nationalization of the British oil companies in that country, did the Germans manage to maintain a heavy presence and influence within both the pre-and post-coup Iranian governments. The answer has already been implied: they had, through their long history with Iran, the intelligence and covert network in place to do it. Iran, in short, was to be another playground for the Nazi International, and another test-bed for the application of the postwar nuclear modification of

the Rapallo template. Indeed, as we have already seen, Iran had functioned in precisely this capacity during the interwar period, just as had the Soviet Union, as the Junkers aircraft firm, and the munitions firms of Krupp and Rheinmetall-Borsig opened plants during the 1920s in Iran.<sup>79</sup>

## 2. *The Shah and the Nuclear Fuel Cycle*

By the late 1980s and on into the new millennium, the scale of these “training programs,” much of it sponsored by the firm of Thyssen-Krupp, had expanded to include training in plant construction and management, materials engineering, and, of course, nuclear engineering.<sup>80</sup> For Shah Reza Pahlavi, the goal was clear and had been announced in 1974: he intended to open over twenty nuclear power plants throughout Iran, and “to master the whole nuclear fuel cycle, including its militarily relevant components—uranium enrichment and plutonium extraction.”<sup>81</sup>

Not surprisingly, Iran’s goal then as now summoned US pressures and anxieties and created an international controversy. The Shah wanted Iran’s control over the enrichment process and fuel cycle to be entirely in Iran’s hands, with no international oversight, while predictably, Washington “was not prepared to tolerate the construction of a national Iranian reprocessing plant.”<sup>82</sup> The then West German Chancellor, Helmut Schmidt, whence Iran would be purchasing a great deal of its reprocessing technology, made it clear to Tehran that Bonn would go ahead with the technology sale undeterred by any pressure from Washington. Tehran could be relatively secure in Bonn’s assurances, for it had just approved the sale of the entire fuel cycle to Brazil, in spite of pressures from Washington not to do so, adding Brazil to the list of nations that could become “nuclear weapons powers” in short order, should it choose to do so.<sup>83</sup> This support for Iran’s nuclear ambitions continued even after the overthrow of the Shah and the installation of the revolutionary Islamist regime of Ayatollah Khomeini, for West Germany supported Iran in the Iran-Iraq war, while the USA supported the regime of Saddam Hussein.

The pattern by now should be clear: in both South Africa’s case, and in Iran’s, the level of German participation and *enablement* of the nuclear ambitions of these two countries conformed not only to the Rapallo template, but in both cases, the corporate infrastructure and personnel backing it remained *largely the same structure as obtained in the Third*

*Reich*. One is looking at the footprint of the Nazi International, both inside, and outside, of Europe. Nor should it come as a surprise that *part* of this footprint conforms to the policy begun under the Kaiser: the use and exploitation of radical Islam against Western geopolitical and financial interests.

### *3. The Nuclear Non-Proliferation Treaty: Iran, South Africa, and Germany*

Throughout the preceding survey, occasional reference has been made to the Nuclear Non-Proliferation Treaty, and the time has come to consider why Germany, a country at the center of so much nuclear proliferation, could be considered a signatory of the treaty in good standing. This consideration will expose one of the treaty's significant weaknesses, and why it could be so easily exploited by an extra-territorial "sovereignty".

Matthias Küntzel points out that article IV of the treaty, the article that ostensibly established the international mechanism to monitor proliferation via "peaceful civilian" projects, contains a huge loophole:

...(The) duty to renounce nuclear weapons in Article I is balanced by a duty in article IV: "All the Parties to the Treaty undertake to facilitate, and have the right to participate in, the fullest possible exchange of equipment, materials and scientific and technological information for the peaceful uses of nuclear energy." Non-nuclear and nuclear powers are put on the same footing as regards the development of "research, production and use of nuclear energy for peaceful purposes," with the monitoring of peaceful use of entrusted to the International Atomic Energy Agency (IAEA). These rules give the parties—among them Iran!—the right to acquire all the necessary components of nuclear weapons under IAEA supervision, *as long as they refrain from putting the pieces together*.

This loophole, which continues to this day to undermine the (non-proliferation treaty's) original purpose, is widened further by Article X of the treaty. This permits every member state to withdraw from the treaty so long as this step is justified by "extraordinary events" and the UN Security Council gets three months (sic) notice. [84](#)

In case one misses the implications of the loophole, Küntzel spells it out plainly: A signatory to the Non-Proliferation Treaty such as Iran, or more importantly, Germany, can “without breaking its terms, *produce all the prerequisites for the bomb and then, following a treaty-permitted withdrawal, declare itself a nuclear power.*” <sup>85</sup>

In the context of the nuclear version of the Rapallo Template that we have been examining, this has enormous importance, for if one recalls that the consistent pattern of the Federal Republic of Germany since World War Two has been to engage in a nuclear weapons program *via proxies* such as South Africa, Iran, and as we saw, Brazil, and do so via the same immense multinational corporate structure utilizing the corporate components of the IG Farben cartel, then it becomes evident that all the parts for the manufacture of atomic and hydrogen bombs could quite literally be hidden behind several “peaceful” nuclear programs in a variety of nations. Reflector shields for implosion devices could be planned in one country, manufactured in another; circuitry could be planned in one, assembled in another, and so on. Thus, rather than having a few enrichment plants or manufacturing plants in one country, one has not only dispersed the manufacturing and assembly capability, but has built redundancy into the program, making it even harder to target. Quite literally, the *corporatization* of the German program, far more than is true of any other country, means that any military action against any of the surrogate countries—Iran, South Africa, Israel, Brazil—would have done little to no damage to it at all. If this sounds disturbingly reminiscent of Nazi Armaments Minister Albert Speer’s dispersed and modular manufacturing methods, it should, because it is almost the same thing, this time writ large and spread onto a world stage. One could conceivably even say that Germany itself was being used by a huge corporate interest for the development of its own nuclear weapons capability.

#### *4. The French Force de-Frappe, and Germany, the Hidden Thermonuclear Power*

As if to reinforce these speculations, there was a story that never even made it to the “commentary stage” of Western media reporting, although the story itself was reported. On December 2, 2009, the American magazine *Time* ran an article titled “What to Do About Europe’s Secret Nukes,”

noting that the amount of nuclear and thermonuclear weapons that the USA had transferred to Belgium, the Netherlands, Italy, and Germany was in the hundreds, and that each nation's air force was capable of delivering them. The article was picked up by the Russian government affiliated website Global Research by Professor Michael Chossudovsky, a controversial figure, who commented,

The US has supplied some 480 B61 thermonuclear bombs to five so-called "non-nuclear states," including Belgium, Germany, Italy, the Netherlands and Turkey. Casually disregarded by the Vienna based UN Nuclear Watchdog (IAEA), the US has actively contributed to the proliferation of nuclear weapons in Western Europe.<sup>[86](#)</sup>

But most disturbingly, there's this:

While Germany is not categorized officially as a nuclear power, *it produces nuclear warheads for the French Navy*. It stockpiles nuclear warheads (made in America) and it has the capabilities of delivering nuclear weapons. Moreover, The European Aeronautic Defense and Space Company—EADS, a *Franco-German-Spanish joint venture, controlled by Deutsche Aerospace and the powerful Daimler Group* is Europe's second largest military producer, *supplying France's M51 nuclear missile*.

Germany imports and deploys nuclear weapons from the US. *It also produces nuclear warheads which are exported to France*. Yet it is classified as a non-nuclear state.<sup>[87](#)</sup>

The French navy's M51 missile is a submarine launched intercontinental ballistic missile, complete with MRVed warheads each delivering a thermonuclear warhead that is estimated to be between 200 and 300 kilotons yield, and which may, in fact, be much larger. In other words, France's strategic nuclear deterrent is based on a missile which is built by a Franco-Spanish-German consortium, in which a German company has controlling interest, and the *warheads* for the missile are produced by Germany under similar corporate arrangements. Perhaps this is one reason that the German Foreign Minister Frank-Walter Steinmeir recently gave a

speech in Berlin to assembled German businessmen and industrialists that the time had come for Germany's foreign policy to take on a firmer and more military tone.<sup>88</sup>

Howsoever one interprets Herr Steinmeir's remarks, however, one thing now seems quite clear: just as it succeeded in covertly rearming Germany and making it again a major power between the World Wars, the Rapallo Template has again rearmed Germany, making it a *de facto* thermonuclear power, with access to intercontinental delivery systems. And throughout this process, one has noticed another disturbing pattern, one that we shall again encounter in Part Two, of cartels orchestrating technology transfers, cartels in which the German component holds the "controlling interest." This cartelization or "corporatism" is one of the defining footprints of the Nazi International.

*D. Postscripts and Segues: The Policy of Containment, Rollback, and Disintegration of the Soviet Union*

In 2010 a rather remarkable book by Ian Johnson appeared outlining the American part in the story of radical Islam and Nazis titled *A Mosque in Munich: Nazis, the CIA, and the Rise of the Muslim Brotherhood in the West*. In it, one discerns the post-world War Two application of the German strategy of radicalizing Islam continuing, not only under postwar Nazi auspices, but American ones as well, all in an effort to defeat Communism.<sup>89</sup> In this book, Johnson points out that the author of America's long-term strategy of containment and rollback of Soviet Communism through psychological operations, George Kennan, was trained at the University of Berlin.<sup>90</sup>

One of the keys in this long-term effort was American and western dominance of the mass electronic media. From this dominance came the creation of the propaganda outlets, Radio Free Europe, beaming programs into Eastern Europe, and Radio Free Liberty, targeting the Soviet Union itself, both based, non-coincidentally, in Munich, headquarters of General Reinhard Gehlen's "organization," later West German intelligence, the *Bundes-nachrichtendienst* (BND).

The rollback strategy was prompted by a doctoral thesis, eventually published in 1936, by the German scholar Gerhard von Mende, who postulated that the diverse ethnic population within the Soviet Union was

exploitable and would break away from the Soviet State, but only if a series of shocks could be dealt to Soviet Russia. They would never, he theorized, be able to break away under their own power. Von Mende even foresaw that once broken away, these ethnic groups would form small nation-states of dubious viability.<sup>91</sup> During the Second World War, it was von Mende who, working in Nazi Germany's *Ostministerium*, helped recruit and organize these ethnic groups into military units for the *Wehrmacht* and *Waffen SS* via a series of "liaison offices" between the ministry and the military. These organizations were rolled into the postwar propaganda efforts of the CIA's Radio Free Europe and Radio Liberty to such an extent that "Radio Liberty relied so heavily on Nazi collaborators that the station would have closed without them. One estimate put the proportion of Radio Liberty employees who had worked for the Nazis at 75 to 80 percent."<sup>92</sup> In other words, just as the Nazi wartime military intelligence unit of General Gehlen's *Fremde Heere Ost* was for all intentions and purposes the actual boots-on-the-ground human intelligence within the Soviet bloc for the CIA, so too was the CIA's postwar propaganda efforts yet another front for a group of Nazi propagandists. And of course, key in this effort were both the American and Nazi interest in exploiting radicalized Islam for their own long-term strategic purposes of the defeat of Communism.

Perhaps, given all that has been surveyed in this chapter, one could reasonably conclude that the "war on terrorism" is really a cover for a very different war, a war by, and on, the Nazi International, and the international corporate power structure it represents. That power structure, as has been suggested in this chapter, remains concentrated and centered in Europe and Germany themselves, and thus, it is to an examination of its relationship to the European Union itself that we must now turn, but not until we review the patterns that have emerged thus far...

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<sup>1</sup> Barbara Rogers and Zdenek Červenka, *The Nuclear Axis: The Secret Collaboration Between West Germany and South Africa* (New York: New York Times Books, 1978), p. 345.

<sup>2</sup> Cited in T.H. Tetens, *Germany Plots with the Kremlin*, p. 82.



3 Mattias Küntzel, *Germany and Iran: From the Aryan Axis to the Nuclear Threshold* (Candor, New York: Telos Press Publishing, 2014), p. 12.

4 Mattias Küntzel, *Germany and Iran*, p. 10.

5 Fritz Fischer, *Germany's Aims in the First World War*, p. 121.

6 Fritz Fischer, *Germany's Aims in the First World War*, p. 121.

7 Ibid.

8 Fritz Fischer, *Germany's Aims in the First World War*, p. 121.

9 Peter Levenda, *The Hitler Legacy: The Nazi Cult in Diaspora: How it was Organized, How it was Funded, and Why it Remains a Threat to Global Security in the Age of Terrorism* (Lake Worth, Florida: Ibis Press, 2014), p. 67.

10 Matthias Küntzel, *Germany and Iran*, p. 11.

11 "Max von Oppenheim," *Wikipedia*, [http://en.wikipedia.org/wiki/Max\\_von\\_Oppenheim](http://en.wikipedia.org/wiki/Max_von_Oppenheim) .

12 Matthias Küntzel, *Germany and Iran*, p. 13.

13 Ibid.

14 Ibid.

15 Peter Levenda, *The Hitler Legacy*, p. 63.

16 Ibid., p. 64.

17 Küntzel, op. cit., p. 14.

18 Ibid, emphasis in the original.

19 Matthias Küntzel, *Germany and Iran*, p. 16.

20 Ibid.

21 Matthias Küntzel, *Germany and Iran*, p. 16.

22 Ibid.

23 Ibid., p. 17.

24 Ibid.

25 Ibid., pp. 17-18

26 Peter Levenda, *The Hitler Legacy*, p. 66.

27 The British, of course, did not take this lying down, and pursued a policy diametrically the opposite of von Oppenheim's "global jihad"



concept, by sending Lawrence of Arabia to the Ottoman theater of operations in order to organize smoldering Arab and tribal resentments against Turkish rule. Levenda observes that this situation was somewhat ironic: “Thus, we had the English archaeologist Lawrence on one side of the conflict and the German archaeologist Oppenheim on the other: each trying to convince his side of the righteousness of his respective cause, and each manipulating the situation (and the trust) of the Arabs in service to European masters, and a post-war strategy that would have benefited no one but the Europeans.” (Levenda, *The Hitler Legacy*, p. 67). And in the supreme irony, with Oppenheim, never a convert to Islam, was “a German of mixed Catholic and Jewish ancestry who was neither Arab nor Muslim” (Levenda, op. cit., p. 66) who was, in the supreme hypocrisy, urging jihad! (Ibid., p. 67)

[28](#) Küntzel points out that the first high-level modern German contact with Persia was the visit in 1868-1869 of Johann Georg Siemens, founder of the Siemens firm, to that country, before the German Empire was united under Prussia in the Franco-Prussian War of 1870-1871.(Küntzel, *Germany and Iran*, p. 10).

[29](#) Matthias Küntzel, *Germany and Iran*, p. xi.

[30](#) Ibid., p. 18.

[31](#) Ibid., p. 19.

[32](#) Matthias Küntzel, *Germany and Iran*, p. 19.

[33](#) Ibid., p. ix.

[34](#) Ibid., p. x.

[35](#) Ibid., p. 8.

[36](#) Ibid., p. 29.

[37](#) Matthias Küntzel, *Germany and Iran*, p. 27.

[38](#) Ibid.

[39](#) Ibid., p. 7.

[40](#) See my *Reich of the Black Sun: Nazi Secret Weapons and the Cold War Allied Legend* (Kempton, Illinois: Adventures Unlimited Press, 2004), pp. 46-48.

[41](#) William Manchester, *The Arms of Krupp*, pp. 742-744, emphases added.

[42](#) William Manchester, *The Arms of Krupp*, pp. 676-677, 679.

[43](#) See my *Reich of the Black Sun*, pp. 53-66, and *The Nazi International* (Kempton, Illinois, Adventures Unlimited Press, 2009), pp. 102-128.

[44](#) Rogers and Červenka, *The Nuclear Axis*, p. 27.

[45](#) Rogers and Červenka, *The Nuclear Axis*, p. 20.

[46](#) *Ibid.*, p. 21, emphasis added, citing the unilateral declaration of Chancellor Adenauer. This declaration “constitutes Annex I to Protocols II and IV” of the agreement of 1954. (see p. 413, n. 18.)

[47](#) *Ibid.*, p. 28.

[48](#) See my *The Nazi International*, pp. 249-274.

[49](#) Rogers and Červenka, *op. cit.*, p. 28.

[50](#) Rogers and Červenka, *The Nuclear Axis*, p. 27.

[51](#) *Ibid.*

[52](#) The reader is here apprised of a serious error of fact in Rogers’ and Červenka’s book, for on p. 30, they state that the German scientists who had belonged to Hitler’s “Uranium club” (*Uran Verein*) such as “Walther Gerlach, Otto Hahn, Werner Heisenberger (sic!) and Karl Friedrich von Weizäcker, had fled from Nazi Germany in 1939,” when in fact, they had done no such thing, Heisenberg having been involved in at least one (public) aspect of the Nazi nuclear research program, and Gerlach, of course, heading up its atom bomb program at one point, and also heading up The Bell program (which some researchers think are one and the same).

[53](#) Rogers and Červenka, *The Nuclear Axis*, pp. 39-41.

[54](#) Rogers and Červenka, *The Nuclear Axis*, p. 300: Rogers and Červenka note that Winnaker, like many others in the postwar Germany nuclear industry, had *direct* connections to I.G. Farben, since Winnaker had been on the board of directors of the notorious cartel. Another I.G. Farben director, Dr. Felix-Alexander Prentzel, became a postwar director of Germany’s Degussa firm, a firm heavily involved in nuclear fuel cycle components. Additionally, none other than Deutsche Bank’s Dr. Hermann Josef Abs occupied board of director’s positions on numerous German nuclear firms. (See p. 301).

[55](#) *Ibid.*, pp. 34-45.

[56](#) *Ibid.*, pp. 31-33.

[57](#) See my *The Nazi International*, pp. 343-346.

[58](#) *Der Spiegel*'s chart of the German nuclear industry is reproduced by Rogers and Červenka as the first of the photo inserts of their book *The Nuclear Axis*.

[59](#) Rogers and Červenka, *The Nuclear Axis*, p. 37.

[60](#) *Ibid.*, pp. 2-4. The general in question was Günther Rall.

[61](#) Rogers and Červenka, *The Nuclear Axis*, p. 4.

[62](#) Even the detailed methods of technology transfer remained the same, as during the Rapallo era German technological knowledge was often transferred to the Soviet Union in the diplomatic pouches between the two countries, and of course, toward the end of World War Two, Nazi technological know-how and patents were smuggled from Germany to Latin America via diplomatic pouches through Spain. (See Rogers and Červenka, *op. cit.*, p. 9.) Even though the episode was a public embarrassment both to Germany and South Africa, Praetoria's ambassador in Bonn, Donald Bell Sole, remained until Praetoria transferred him to be its ambassador to the USA. Notably, when he departed for America, Ambassador Sole was given a "farewell dinner" by the German State Secretary in the Foreign Ministry, Peter Hermes, whom we shall encounter again in relationship to the Iranian nuclear problem. (Q.v. Rogers and Červenka, *op. cit.*, p. 8.)

[63](#) Rogers and Červenka, *The Nuclear Axis*, pp. 59-60.

[64](#) *Ibid.*, p. 193.

[65](#) *Ibid.*

[66](#) *Ibid.*

[67](#) *Ibid.*, p. 195.

[68](#) Rogers and Červenka, *The Nuclear Axis*, p. 322.

[69](#) *Ibid.*, p. 325.

[70](#) Matthias Küntzel, *Germany and Iran*, p. 213, emphasis added.

[71](#) Matthias Küntzel, *Germany and Iran*, p. 57.

[72](#) *Ibid.*, pp. 57-58.

[73](#) *Ibid.*, p. 57.

[74](#) *Ibid.*

[75](#) Matthias Küntzel, *Germany and Iran*, p. 58.

[76](#) *Ibid.*, emphasis added.

[77](#) Matthias Küntzel, *Germany and Iran*, pp. 58-59. The SD is the *Sicherheitdienst* which was under the control of Walter Schellenberg. Schellenberg, it will be recalled, had control of the worldwide Nazi network of shortwave transmitters. Schulze-Hothus was a member of the *Spionageabwehr*, and hence himself was a wartime counter-intelligence agent working in Iran. (See Küntzel, *op. cit.*, p. 47)

[78](#) *Ibid.*, p. 61.

[79](#) *Ibid.*, p. 27.

[80](#) Matthias Küntzel, *Germany and Iran*, p. 143.

[81](#) *Ibid.*, p. 208.

[82](#) *Ibid.*, p. 69.

[83](#) *Ibid.*

[84](#) Matthias Küntzel, *Germany and Iran*, p. 214, emphasis added.

[85](#) *Ibid.*, emphasis added.

[86](#) Michael Chossudovsky, “Belgium or Iran, where’s the Nuclear Threat? Europe’s Five Undeclared Nuclear Weapons States,” <http://www.globalresearch.ca/europe-s-five-undeclared-nuclear-weapons-states/17550> .

[87](#) Michael Chossudovsky, “Belgium or Iran, where’s the Nuclear Threat? Europe’s Five Undeclared Nuclear Weapons States,” <http://www.globalresearch.ca/europe-s-five-undeclared-nuclear-weapons-states/17550> .

[88](#) Johannes Stern, “German Foreign Minister Steinmeir’s Great Power Speech to Big Business,” December 6, 2014, <http://www.globalresearch.ca/german-foreign-minister-steinmeiers-great-power-speech-to-big-business/5418514> . See also my blog “German Foreign Minister Steinmeir: Germany Must Take up the Mantle of being a World Power,” December 16, 2014, <http://gizadeathstar.com/2014/12/german-foreign-minister-steinmeir-germany-must-take-mantle-world-power/> .

[89](#) Ian Johnson, *A Mosque in Munich: Nazis, the CIA, and the Rise of the Muslim Brotherhood in the West* (Boston and New York: Houghton Mifflin

Harcourt, 2010), p. xv.

[90](#) Ibid., p. 15-16.

[91](#) Ibid., p. 17.

[92](#) Ian Johnson, *A Mosque in Munich*, p. 50.

**CONCLUSIONS TO PART ONE : CARTELS , COMPARTMENTALIZATION ,  
RAPALLO REDUNDANCY , AND RADICAL RELIGION**

*“In 1942, the actual blueprint of Hitler’s ‘European Union’ was published in the form of a compendium of papers presented by leading German industrialists, academics and officials under the stern direction of the Reichswirtschaftsminister...Dr. Walther Funk. The document was entitled Europäische Wirtschaftsgemeinschaft’ (European Economic Community).”*

Christopher Storey<sup>1</sup>

**D**ISCERNIBLE PATTERNS AND FOOTPRINTS have now emerged which, before taking the plunge into the subterranean world of the power and financial politics of the European Union, it would be prudent to review and highlight.

1)The Madrid Circular of 1950 was the alleged product of the German Geopolitical Center in Madrid, and thus allegedly of the postwar Nazi International. However, as was seen in chapter one, this author was unable to find any corroboration of the existence of this document beyond the books of T.H. Tetens. Thus, a methodology of corroboration had to be developed by seeking historical antecedents within Imperial and Nazi Germany, and in postwar West German foreign policy. When viewed in this fashion, a number of the Circular’s policy positions appear not only to have been adopted, but the Circular itself appears unusually prescient of developments occurring decades later. Among these developments, one must take particular note of the following:

a)The document advocates the creation of a European community, inclusive of a customs union or common market, which federation would leave Germany, as the dominant economic power, in the position of the most influence. The purpose of the federation on the world stage is to create a “third way” between the opposing Communist and Atlantic blocs, with the federation

serving to amplify German geopolitical influence on the world stage;

b)The Circular advocates the policy of promoting East-West bloc tensions even to the point of a war between the USA and USSR,<sup>2</sup> while the German-led Europe remained neutral in such confrontations, emerging as the clear leading power bloc after such a conflict. Certain key steps are involved in implementing this strategy:

i)The Rapallo Treaty of the 1920s between the Soviet Union and the Weimar Republic is to be used to rearm West Germany and circumvent any treaty restrictions imposed on it on the development of certain armaments capabilities, particularly atomic, biological, or chemical weapons of mass destruction.<sup>3</sup> As was seen in the previous pages, the Rapallo *Prinzip* was faithfully followed by the German Federal Republic as agreements for economic cooperation with “pariah nations” such as South Africa, Israel, and Iran were used to disguise extensive military coordination and the technological transfers necessary to acquire the complete nuclear fuel cycle, and nuclear and thermonuclear weapons, via proxy states. This extensive proliferation effort serves to create *extraterritorial* nuclear and thermonuclear capabilities in the hands of the large corporations and cartel arrangements making it possible, and also creates a multi-layered redundancy in the proxy states utilizing German nuclear technology, which includes continental Europe’s only declared thermonuclear power, France.

ii)The Circular explicitly states that “for us,” i.e., the Nazi International, “the war never stopped,”<sup>4</sup> and draws clear support for this in the lack of any formal representative of the Nazi Party at any of the formal surrenders of 1945. The clear implication of this assertion is that the Nazi International was alive and well in the heart of Germany and Europe itself, a point corroborated in official British



reports concerning the Naumann Coup attempt against Adenauer's government, as will be seen below:

iii)The long term goal was to isolate America via the short-term, and successful, derailment of the Morgenthau Plan to de-industrialize Germany,<sup>5</sup> and then to manipulate the USA into increasing isolation of its “dollar diplomacy” via engineered wars, economic crises, and destabilization of the Middle East,<sup>6</sup> while simultaneously the German-led European federation pivoted its economic trade to the East;<sup>7</sup>

iv)Once this occurred, the USA would be forced to rely increasingly on more and more force and a “unipolar attitude,” accurately anticipated by the Circular, and once this occurred, the terms of the Atlantic Alliance could be voided, since America will have become the aggressor nation, and the European nations would be under no obligation to join its military ventures;<sup>8</sup>

v)All of this would be accomplished via covert operations and an extensive network of contacts in industry and government—including America<sup>9</sup>—a network which the Circular explicitly states may have included personnel “executed for treason” in the July 1944 “bomb plot” against Adolf Hitler, a breathtaking assertion either suggesting that the plot was a deliberate false flag event to deceive the Allies, protect high-ranking Nazis by making them “dead” to further Allied investigation(after all, one does not search for people one assumes are dead), or a crisis of opportunity exploited by the Nazi hierarchy for the same purpose;<sup>10</sup>

2)The stated goal of the Madrid Circular of a German-led European federation was in fact a consistent goal of members of the German military, political, and financial elite from General Bernhardt and *Reichskanzler* Theobald von Bettmann-Hollweg prior to and during World War One, to post-World World war Two West German Chancellors from Adenauer to Helmut Kohl, Gerhard Schröder and Angela Merkel. While we have yet to examine the Nazis and their

own statements and plans for European Union in any detail, which will be the main subject of the next part of this book, what is evident thus far is that the Madrid Circular accurately reflects the consistency of this vision;

a) We have noted, however, that certain Nazi documents beginning in 1943 and continuing right to the end of the war, including Generalplan 1945, advocated such a German-led European federation. Additionally, we noted that the Generalplan 1945 spelled this out in terms of political federation, economic union, and as will be seen in the next part of this book, an amalgamation of law and jurisprudence. This union is to eventually include European Russia in its embrace. [11](#)

b) Those wartime Nazi documents also advocated a policy of psychological warfare against the Western powers, and we suggested in the previous pages that the Naumann Coup attempt against Adenauer's government, the responsibility for which the British explicitly laid at the feet of the postwar Nazi International, was one such operation, since the operation allowed the Adenauer government, notwithstanding its own Nazis and pro-Nazi sympathizers, to appear moderate.

3) Finally, we observed the pattern of interlocking corporate and cartel driven military and political manipulation of Islam by means of radicalizing it, and in radicalizing it, weaponizing it for use in destabilizing the Middle East and upsetting British and American interests in the region. The result, again, has been exactly that as predicted by the Madrid Circular, for as Washington must increasingly use a heavy hand in the region, it becomes increasingly isolated. In the case of the German nuclear "cartel," we discovered that the German nuclear industry, in its historical roots, is comprised largely of the component companies of the IG Farben cartel, all working in concert, a point which suggests that while Farben may be officially dead in name, it is dead *only* in name. Given the consistent connection of German policy toward radical Islam, and its promotion of jihad since the days of the Kaiser and its consistent ability to endure shifts of government in Iran from World War Two through the overthrow of both Mossadegh and the Shah, the known

Nazi connections to other radical Islamic groups,<sup>[12](#)</sup> it was even suggested that the “war on terrorism” might be a convenient cover for a war on the Nazi International, a war which America and her allies would have great difficulty selling to their populations.

With this review in hand, it is time to look much closer at Nazi plans for the European Union, and at the European Union itself, to see if the face the Fascism in it, of which many Europeans complain, is merely a populist complaint, or if in fact it is rooted to any degree in reality.



*Adolf Hitler and the Grand Mufti of Jerusalem, Al Husseini*

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<sup>[1](#)</sup> Christopher Storey, *The European Union Collective, Enemy of its Member States: A Study in Russian and German Strategy to complete Lenin’s World Revolution* (London and New York: Edward Harle, 2002), p. 147.

<sup>[2](#)</sup> p. 9. All page references in this chapter are to previous pages of this book.

<sup>[3](#)</sup> pp. 11-12.

[4](#) pp. 17-18.

[5](#) p. 19.

[6](#) pp. 25-26.

[7](#) p. 27.

[8](#) pp. 28-29.

[9](#) pp. 16-17.

[10](#) pp. 30-31.

[11](#) pp. 62, 64-65.

[12](#) See my *Nazi International*, pp. .

**PART TWO :**  
**EUROPE FROM THE ATLANTIC TO THE URALS : CARTELS , CURRENCY ,**  
**AND NAZIS**

*“There is a wealth of material providing irrefutable proof that Dr. Adenauer’s whole timetable in dealing with the Western Powers has been carefully prepared by those ‘irresponsible’ Haushofer-Ribbentrop disciples who, from Madrid and Buenos Aires, regularly give directives to their former Nazi colleagues in the Bonn Foreign Office and in the leading German papers.”*

T.H. Tetens  
*Germany Plots with the Kremlin* (1953),  
pp. 23-24.

**MONOPOLIUM AB CHAO: BURIED BULLION , TREASURE TRUSTS  
 , CURRENCY CARTELS , AND MOLECULE MONOPOLIES**

*“To point out any similarities between the Nazis’ postwar economic plans for Europe and today’s European Union is to risk ridicule and invective.”*

Adam Lebor<sub>[1](#)</sub>

*“The Franco-German axis is the Community, and the role of the other members of the European Council is to give a ceremonial benediction to what the French and German leaders want to do.”*

Bernard Connolly<sub>[2](#)</sub>

*“The cartel is a drug, the trust is an elixir.”*

Hjalmar Schacht<sub>[3](#)</sub>

*“In a word, it is stupid to speak of ‘the bankers.’”*

Hjalmar Schacht<sub>[4](#)</sub>

**I**N 1929 A RATHER UNREMARKABLE THOUGH SOMEWHAT entertaining and highly significant thriller novel was published pseudonymously by a rather remarkable and powerful man, a man whose prominence in certain circles was well-known, but whose notoriety outside those circles was almost nil. Mention his name outside those circles then or now to the general public, and few would know it, nor understand why his novel was a key glimpse into the international financial and power politics of that day up to our own. Even though he was not well-known outside his professional circles, however, he took no chances and published his novel—*The Alchemy Murder*—under a *nom de plume*, Peter Oldfield, for in it he detailed what he no doubt had observed forming before his very eyes, in his capacity of occupying the rather peculiarly good observational platform he occupied with which to observe it.

## A. *Prophecy from the Pages of a Novel*

### 1. *The Prophecy Itself*

Though it is set in the world of the late 1920s, “Oldfield’s” novel reminds one of a typical Robert Ludlum spy-thriller from the 1970s. Briefly, a wealthy man is murdered on a train traveling from France to Switzerland. As it turns out, the wealthy man has a daughter, to whom he bequeathed not only a legacy of wealth, but of a *vision*, which is articulated in detail toward the middle of the novel in a lengthy epistolary testament the murdered wealthy man composed to his daughter. We cite it in full here, exactly as it occurs in the novel’s text:

“My dearest daughter,” it ran, “You will only receive this letter if death comes to me before I have been able to attain what is now my life’s ambition. It contains a request that you should make a big sacrifice, but I believe our mutual love is so great that you will not hesitate to devote any amount up to half the value of my entire estate that may be necessary to complete my work.

“I have hoped that I should achieve something of lasting good in this life. Some of the companies I have been instrumental in promoting will prove efficient units of production and will help to improve industrial conditions in these islands. But I have been blessed with great wealth which I would like to put to better purpose than this. Here, then, is my scheme.

“The problem of our generation is to abolish war, for, if we do not succeed in doing that, the chances are that a war will destroy our civilisation. But nations will only resort to the peaceful solution of disputes and lay down their arms if we can rid them of fear. The savage lived a life of constant fear; the modern State has given its citizens a feeling of security in their dealings with each other, never attained before. Is it the same in the intercourse between nations? Our war experiences are too vivid to allow us to believe that. For the progress of science has immeasurably increased man’s power of destruction, and, in consequence, his fear of being destroyed.

“A few months ago, in the House of Lords, some details of gas warfare were given by Lord Halsbury, who quoted from an official

manual published by the War Office. Chemists know more than was contained in that 'Manual,' but even those details suffice to show that the last war was child's play in comparison with war that could be waged to-day. Lord Halsbury said that one bomb dropped in Picadilly Circus could destroy all life between Regent's Park and the Thames. Forty tons of dipenylchloroarsine would kill every one in a triangle formed by the lines drawn between Chalk Farm, Clapham and London Docks. These new gases can be carried in liquid form and blown into the finest dust with the help of high explosive; this means that strong and heavy containers are not necessary and the airman's task is greatly simplified in consequence. There are gases which set up such acute irritation that men tear off their gas masks in madness and breathe in the poisoned atmosphere. And remember that each year, each month almost, the methods of destruction are developed, perfected.

"Can nothing be done in the face of this menace?"

*"There is one way which has been recommended on the highest authority—that of the League of Nations, which realized the dangers of this problem several years ago and appointed a committee of chemists to study it. It is the proposal for the establishment of international chemical combines, since an international element in the direction of these industries would lessen the danger of one country using a new discovery to establish its power over all others.*

"I believe I have improved upon this recommendation of the League's chemical experts. After long and careful investigation in many countries—investigation which would have been impossible without the aid and devotion of my friend and secretary, Mr. Campbell, I have now worked out my plan in detail. Here are the rough outlines—he will give you fuller information.

*"1. I propose to buy a sufficient number of shares in the leading chemical combines of the world to get my representatives elected on their boards of directors. The British and German chemical industries, for example, are already united in great national associations, and similar concerns are being formed in other countries. It is not too easy to buy enough shares to secure influence, but I have entered into long negotiations and I think I shall succeed. The people ask me what I want them for and I am not willing yet to show my hand. I shall probably not*



have enough money to buy all I need, but *I am going to interest my old American business friend, John Garsyte, who, like myself, has money and no great use for it.*

“2. Should I succeed in obtaining these shares, *I shall distribute them in equal proportions to the leading Powers—Great Britain, France, Germany and Italy*—and also perhaps a part to some smaller Powers. As to America and Japan, here I shall have to count on Garsyte’s assistance.

“3. *Each of the States which thus becomes a shareholder will have the right to appoint a representative on the Board of Directors of each of the concerns in the territory of the other States. There will thus be an American, a Japanese, a Frenchman, a German, etc., on the Board of our own Associated Chemical Industries, but we shall in turn have our representatives in the American, Japanese, French and German concerns.*

“4. Moreover, I propose that a number of foreign engineers should work in our factories, and that we should have British engineers in the foreign factories. In the full knowledge of what our neighbours do I find the greatest possibility of eliminating fear and of carrying out the obligation, under Article 8 of the League of Nations Covenant, ‘to interchange full and frank information as to the scale of our armaments and industries that could be adapted to warlike purposes.’ <sup>5</sup>

There ends the substantive part of the murdered industrialist’s testament to his daughter.

## *2. The Pattern in the Prophecy*

One will have noted that there are a number of strange things about this epistolary peroration:

- 1) First, the author’s recommendations are based on those which were supposedly recommended by the League of Nations, which functioned as a platform by which he could observe developments and, through his personal wealth, act upon them;
- 2) Those “League of Nations-sanctioned recommendations” advocate the establishment of international chemical “combines,” or, to put it

more closely and plainly, *monopolies and cartels* whose sheer international extent and power would prevent the always-errant nation-state from going on the warpath and exploiting technological advances. Left unspoken, of course, was who was going to watch the cartel watchdog;

3) Thus, *cartelization* (or “Rhenisch corporatism” as we shall see it called later in this chapter) becomes a principal *method for establishing and maintaining international and domestic political and economic order*;

4) However, as is apparent from the novel’s outline of this process, the focus is almost entirely *European*, as the interests of the four major Great Powers of Europe—France, Italy, Britain, and of course Germany—are the countries most implicitly the center of the novel’s attention, which, to buttress its advocacy of the creation of such cartels, notes that British and German chemical industries were already combined in such “associations” or cartels. Thus, *cartelization is really being advocated as a means to dominate Europe, and thus put an end to war*;

5) What is also being advocated is that by means of such cartels, any advance made or known to one country will, by the international extent of such cartels, immediately become known, and available to another. Or to put it more plainly and closely once again, *cartels can, and will, function as the means of technology transfer*; and finally,

6) The novel, as indicated, was written by a man well-known in certain circles of power, and thus fits, or confirms, a pattern that many people assume the “power elite” operates under, namely, that they intentionally disclose their plans to the *hoi polloi* in *some form or fashion*, often in the guise of fiction.<sup>6</sup>

So who was “Peter Oldfield” in reality?

The answer is found in Hungarian author Adam Lebor’s one-of-a-kind study of the Bank of International Settlements, *The Tower of Basel: The Shadowy History of the Secret Bank that Runs the World*. There, one discovers that “Peter Oldfield” was none other than Swedish banker Per Jacobsson (1894-1963), who, we are further informed,

...co-wrote two thrillers, fusing his knowledge of international finance and diplomacy. *The Death of a Diplomat*, which was set in the League of Nations, was published in eight languages, and the film rights sold to a German company. *The Alchemy Murder* was macabrely prescient—especially when Hermann Schmitz, the CEO of IG Farben, joined the board of the (Bank of International Settlements). The book’s storyline focused on chemical companies producing poison gas.<sup>7</sup>



“Peter Oldfield,” a.k.a. Swedish Banker Per Jacobsson, 1894-1963

Prescient, however, Jacobsson was not, for his novel, published in 1929, followed the establishment of the Farben cartel by the German combines of Bayer, Hoechst, and BASF (*Bayrische Anilin-und Soda-Fabrik*) in 1925, a combine which, as is now well-known, engulfed British Imperial Chemicals, the French chemical firm of Kuhlmann, and even Standard Oil, and a variety of other powerful American corporations, in a tapestry of licensing and patent swap agreements, arguably becoming the most powerful corporation ever to be seen in world history, before or since.

Jacobsson also wrote himself into *The Alchemy Murder*, for he served as a financial advisor for the League of Nations from 1920 to 1928 before he joined the Bank for International Settlements as an economics advisor, writing its reports. Additionally, Jacobsson was an advocate of “European federalism and supranationalism.”<sup>8</sup> It is therefore through the Bank of International Settlements that one must first enter the labyrinth of elitist power structures behind the European Union, which is but a tapestry of such structures, and not a nation-state<sup>9</sup> in any recognizable sense.

## B. *The Bank of International Settlements: A Sovereign Bank without Borders and Above Any Law*

### 1. *Prelude: Hjalmar Schacht*

#### a. *Reparations, Hyper-Inflation, and the Rentenmark*

If one were to read the typical college history textbook rehearsing the causes for World War Two, among the most frequently and monotonously mentioned are the severity of the Versailles Treaty reparations and war guilt clauses against Germany, and the resulting hyper-inflation in the Weimar Republic, as the printing presses were run to make payments and settle debts with increasingly worthless paper *Reichsmarks*.<sup>10</sup> But as one tip-toes through the sanitized history of such textbooks, few people ever raise the important question of *how* Germany ever managed to re-stabilize the *Reichsmark*. The impression is usually left that the Nazis somehow did this all on their own, by nationalizing the currency, and issuing debt-free currency. That story is true enough, as far as it goes, but does not go nearly far enough, for if the truth be told, the currency was re-stabilized before the Nazis came to power, and that was largely due to the efforts of one man, Dr. Hjalmar Horace Greeley Schacht, the “Old Wizard” of Germany’s *Reichsbank*. Just how he did it contains some important lessons for the principles being used by financial and industrial elites down to our own time.

By the early 1920s, Weimar Germany was in the grip of hyper-inflation, as the printing presses had been run to make up for the lack of liquidity in Germany, a lack brought about by the war reparations. *Private* currencies, issued often by corporations or local governments appeared as a stopgap means of settling debts that could not be paid in normal paper money, as *that* was fleeing abroad.<sup>11</sup> The result, of course, was hyper-inflation, and the destabilization of all German money. Into this situation stepped a German politician named Helfferich, who proposed issuing bonds “payable not in paper money but in kind (a ton of coal, a hundred-weight of potash).”<sup>12</sup> Helfferich not only proposed this but, says the “Old Wizard,” he went much further by proposing the issuance of commodities backed currency *on* those bonds.<sup>13</sup>

After much political wrangling, a compromise was reached with the creation of the so-called *Rentenmark*, a currency equal to the gold mark in law, but “covered by a cautionary mortgage on the whole of German landed property, so that any given sum in Rentenmarks could be exchanged at any time for a like sum in mortgage bonds.” <sup>14</sup> As he was the President of the *Reichsbank* at the time, it fell to Schacht to “carry out the currency reform in a practical manner.” <sup>15</sup> Of course, any idea that Schacht sat quietly in his corner while the *Reichstag* debated the currency reform law is ridiculous, and one can be reasonably certain that he steered the process as much as it was within his power to do. The result was a much more stable currency, one that fluctuated within the value of the collateralizing mortgages with just enough stability to give Schacht the needed breathing space to end the rampant currency speculations on the *Reichsmark* and end the hyperinflation.

At this juncture a pause is in order to consider the sweeping implications of the *Rentenmark* scheme, for its long-term implications are profound, as it appears to be a method of financial operation that was seized upon later by other financial oligarchs:

- 1) It is the *first* appearance in modern times of the idea of “backing” paper money with a commodity other than gold, in this case, *real property assets*;
- 2) This scheme would appear much later in history as the Rothschilds would be seen backing such a plan for a global currency based on the world’s “wilderness land” at various “World Wilderness Congresses”. This scheme would also seem to have made its appearance again in the “mortgage backed securities bundles” <sup>16</sup> than began to appear in the 1990s and which in part led to the bailout meltdowns of the mid-2000s;
- 3) The *Rentenmark* plan as such thus represented a mortgage on Germany itself, potentially allowing its assets—such as the state-run *Deutsche Reichsbahn* and its thousands of miles of railroads—to be controlled by private interests. For Schacht, an ardent nationalist, this was intolerable, and the scheme was viewed by him as only a temporary measure;

4)By representing a currency and bond issue collateralized by *real property* assets, one sees the earliest and first appearance of the idea that I have advanced in previous books, namely, that outer space itself, and whatever was found there, may have formed part of the secret collateralization of the hidden system of finance established by President Harry S. Truman in 1947.[\\_17](#)

Schacht then followed this scheme up with one that in its essence can only be described as “Venetian,” a breathtaking scheme he laid out in conversation with his counterpart in the Bank of England, Montagu Norman. Recalling this conversation in his memoirs, Schacht records what he told Norman:

My plans are not limited solely to obtaining credit. I intend to found a second credit bank in addition to the Reichsbank, a bank based entirely on gold. *This bank will make loans only against bills of exchange*, and will give preferential assistance to those German industries which are able to resume export trade. Supposing for the sake of argument I call this bank the Golddiskontbank (Gold Discount Bank).[\\_18](#)

The “Venetian method” here may not be readily appreciated unless one unpacks Schacht’s scheme a bit. His fundamental problem, it will be recalled, was that there was not enough *stable* liquidity circulating in the German economy, and hence, German exports fell, German industries closed, which resulted in high unemployment. Schacht is stating in effect that to re-open industrial plants (and build new ones), and get stable money circulating again, show his *Golddiskontbank* an order for goods, and the bank would make a loan against it.

But Schacht’s “Venetian scheme” did not stop there, for he also informed Norman that this bank would then issue banknotes against its capitalization and the bills on exchange on which its loans were made, and he proposed to do so by denominating this currency and the issued loans *in British pounds sterling!* [\\_19](#) Norman was, of course, impressed with the idea’s extraordinary nature, for it amounted to more or less a scheme whereby one government allowed another government to issue securities and banknotes denominated in its own currency.[\\_20](#) Before Norman could ponder this idea too long,

Schacht appealed to the Bank of England's Governor's "incipient globalism" and explained:

"At first glance the idea may strike you as extraordinary. But if a firm of exporters uses foreign currency in the course of business why should I not use foreign currency in *my* dealings with *them*?"

Silence again while Norman thought this over.

"And just think, Mr. Governor," I went on, "what prospects such a measure would afford for economic collaboration between Great Britain's World Empire and Germany. If we desire to establish European peace we must free ourselves from the limitations imposed by mere conference resolutions and Declarations of Congress. Economically, the European countries must be more closely linked. Somehow, somewhere, we must make a practical start."

Normal listened with visibly growing appreciation and interest.

"You have some very remarkable ideas there Mr. President." He began to take kindly to my plans; we discussed a whole lot of supplementary questions and problems. [21](#)

Note that Schacht's plan, like that of the later European Exchange Rate Mechanism and that of the Monetary Union (or Eurozone) itself, rested upon a currency scheme.

Norman was not to be rushed, however, and requested an adjournment for the day while he considered Schacht's proposal. When the *Reichsbank* President returned the next day, Norman informed Schacht that he had received a communication from the large French *Banque de Paris et des Pays-Bas*, which, in concert with local German banks in the Rhineland, home of Germany's large industrial combines of the Ruhr Valley, was trying to form a local Rhineland central bank issuing its own banknotes independently of the *Reichsbank*. It is easy to see what the French motivation was, for the French were trying to re-stabilize German currency by introducing their own control over the Rhineland and the heart of Germany's industrial strength. This theme of financial and currency warfare between Germany and France will be a constant feature of the postwar situation, as we shall see.



Schacht's answer to Norman about this French attempt to gain a measure of political influence and control over German monetary issue was clear, for although the German Government of the short-lived Stresemann Government had given its consent to the plan, Schacht made it abundantly clear to Norman that the *Reichsbank* was opposed to any scheme that sought "to restrict its own supreme power in matters of currency within the German Reich."<sup>22</sup> Norman pulled British backing from the French scheme, while readily endorsing Schacht's *Golddiskontbank* proposal.<sup>23</sup> The French scheme thus broke on the rocks of the *Reichsbank*, a precedent that we shall see repeated much later, when similar attempts by France to dominate Germany's currency came to an end by the opposition of an equally cagey *Bundesbank* President not only to the schemes of the French, but to those of his own government. Thus on March 13, 1924, Schacht's *Golddiskontbank* came into existence, and, by Schacht's own admission, it continued "right up to the collapse of Germany in 1945...to the maintenance of currency and to the expansion of German exports."<sup>24</sup>

*b. The Dawes and Young Plans: Schacht's Idea for the Bank of International Settlements*

*(1) Hyper-Inflation, The Reichsbank's Elimination of Currency Speculation, and the Dawes Plan*

However, Schacht was a busy man, for there was the other matter of Germany's war reparations to be dealt with. And here, as elsewhere, his and Montagu Norman's schemes were nothing less than breathtaking. Under the conditions of the German hyper-inflation, private currency speculators were quite literally making a killing, namely, the *Reichsmark*, and hoarding foreign reserves. Here, Schacht showed his capacity not only for extraordinary solutions, but for breaking the rules, even the rulebook of central banks:

Once the public loses confidence in a currency, not even the highest rate of discount will scare off speculators. It does not matter if he has to pay ten, twenty or thirty per cent per annum if the value of the currency drops five, ten or fifteen per cent from one month to the next. It was no good therefore attacking foreign exchange speculators with higher



interest rates; we should have to launch an attack on the supply of funds. We decided on a complete stoppage of credit to the business community on the part of the Reichsbank. We realized that such a stoppage would not only be most awkward, to say the least, but that it contained a certain amount of injustice in that it would hit the innocent as well as the guilty. We comforted ourselves with the thought that the stoppage would not last long but that the exchange situation would return to normal in the shortest possible time.

In order to set the machinery in motion we resorted to a method which has subsequently often been copied in the political world. On Saturday April 5, 1924, after the Stock Exchange had closed, we announced that as from Monday, April 7, *the Reichsbank would not increase its total holding in foreign bills and would therefore not accept further bills.* That gave the public a day and a half in which to familiarize themselves with the announcement.

*This step was taken in direct contradiction to all the traditional rules concerning central banks. It was also probably the first time in economic history that a central bank deliberately refused to grant credit.* [25](#)

To put this breathtaking measure in a little more concrete—if somewhat inappropriate—analogy, it would be similar to the United States Federal Reserve suddenly reversing its “quantitative easings” undertaken in the wake of the 2008 bailouts, and suddenly announcing that it would no longer accept any foreign currency in its reserves as debt payments, but only dollars. The result would be predictable: the Federal Reserve would suddenly be awash in precisely those foreign-denominated securities and currencies, as speculators unloaded them before the “announced deadline” and took dollars in exchange for them.

This is exactly what happened, for by June 3, 1924, in fifty-seven short days, the *Reichsbank* had “no less a sum than eight hundred million marks in foreign exchange bills returned” to it. [26](#) The speculators, and their deleterious effects on the stability of the *Reichsmark*, had all but been eliminated, *before* the provisions of the Dawes Plan came into effect.

*(2) The Young Plan, Schacht's "Supply Side" Scheme, and the  
Bank for International Settlements*

The western Allies, led by American financiers, had forced the Dawes Plan on Germany to insure the flow of reparations payments. As a codicil to this plan, the Reichsbank was forced to accept on its board the seating of an equal number of Allied representatives in addition to Germans.<sup>[27](#)</sup> Additionally, the Dawes Committee had "installed reliable confidential agents in the Reichsbank and other German business establishments" whose job it was "to see that the reparations installments were punctually remitted."<sup>[28](#)</sup> Under the terms of the Versailles Treaty and the Dawes plan, Germany had to remit "over two billion German marks annually in foreign currency,"<sup>[29](#)</sup> a sum that, even with Schacht's extraordinary maneuver against currency speculators, Germany was hardly in a position to do, without massive foreign borrowing, thus increasing the debt burden on Germany<sup>[30](#)</sup> and enriching the financiers of this debt in the process. As the former Hoover Institute Fellow and scholar Anthony Sutton noted,

Between 1924 and 1931, under the Dawes Plan and the Young plan, Germany paid out to the Allies about 36 billion marks in reparations. At the same time Germany borrowed abroad, mainly in the U.S., about 33 billion marks for reparations. Consequently, the burden of German monetary reparations to the Allies was actually carried by foreign subscribers to German bonds issued by Wall Street financial houses—at significant profits for themselves, of course. And, let it be noted, these firms were owned by the same financiers who periodically took off their banker hats and donned new ones to become "statesmen." As "statesmen" they formulated the Dawes and Young plans to "solve" the "problem" of reparations. As bankers, they floated the loans....

Who were the New York international bankers who formed these reparations commissions?

The 1924 Dawes Plan experts from the United States were banker Charles Dawes and Morgan representative Owen Young, who was president of the General Electric Company. Dawes was chairman of the Allied Committee of Experts in 1924. In 1929 Owen Young became the chairman of the Committee of Experts, supported by J.P. Morgan himself, with alternates T.W. Lamont, a Morgan partner, and T.N.

Perkins, a banker with Morgan associations. In other words, the U.S. delegations were purely and simply...J.P. Morgan delegations using the authority of the United States to promote financial plans for their own pecuniary advantage.<sup>31</sup>

However, as Schacht, a party to this scheme and certainly a member of the financial-capitalist class himself, admits, the Allied Agent for Reparations, Parker Gilbert, realized that the reparations remittances “were not genuine, that the country was paying her debts not with honest export surpluses but with borrowed money.” Under such circumstances “it could only be a matter of how long it would take before Germany was no longer in a position to remit foreign currency,”<sup>32</sup> or to put the matter more honestly, it was only a matter of time before the bankers ran out of money to loan—charging commissions, fees, and interest all along the way—so that Germany could repay them. The “finance capital” solution, in other words, would eventually break down under the strain, and consequently, some other solution had to be found. The “solution” came, as it were, in the form of a “pseudo-supply side” answer in the form of the Young Plan of 1928-1929, and Schacht’s insistence that the reparations could only be genuinely repaid—not with further borrowing and indebtedness—but by actual expansion of German production and hence, exports. As such, the Allied “mortgage” on and influence over various German real property had to end:<sup>33</sup>

Germany was now an impoverished country and no longer able to make loans to others. *If the Allies really wished to help her to meet her reparations liabilities they should grant loans to the under-developed countries, and thereby put the latter in a position where they would be able to purchase their industrial equipment in Germany.* No useful purpose would be served by allowing Germany to compete in existing world markets against other European industrial states as she had hitherto done. German competition in these spheres had been one of the main factors that had contributed to the end of world peace and to attempted settlement by war. The repetition of such a competitive struggle must be avoided, or its bitterness at least reduced by seeking to open many fresh markets which would afford to all industrial countries opportunities for employment and for disposal of their goods. Increased

well-being of all nations was the fundamental economic principle by which peace could be preserved and future wars avoided.<sup>34</sup>

In other words, under Schacht's export-production "supply-side" plan, by developing under-developed countries for German exports *of industrial plants themselves*, the Allies would expand Germany's economy by making it a world-export driven economy. The other side of this is, of course, that if Germany was to be a major supplier of industrial plants themselves, then Germany's own already-existing massive heavy industry would be even further expanded. In this, Schacht discloses something highly unusual for a central banker, for while most bankers thought in terms of expanding their influence through financial-capital *alone*, Schacht thought not only in such terms, but also in *industrial-capitalist* terms.

To coordinate all this activity, a new mechanism of international clearing would clearly be needed. And once again, it was Schacht who came up with an extraordinary idea, which he pitched to the American chairman of the committee, Owen Young, who had asked Schacht if he had seen any practical way of putting his ideas into practical effect. Schacht answered:

I should not be telling you all this, Mr. Young, if I were not able to submit a practical proposal for the realization of my object. I would suggest that in the Young Plan you assume responsibility for all concerned for the joint founding of a bank through which, on the one hand, the reparations payments shall be distributed and which, on the other hand, *shall be entrusted with the carrying out of financial operations offering to the underdeveloped countries the means of exploiting their natural resources and increasing their agricultural products*. This financial aid will enable these countries *to purchase all industrial equipment — especially in Germany— necessary for increased production*. A bank of this kind will demand financial cooperation between vanquished and victors that will lead to community of interests which in turn will give rise to mutual confidence and understanding and thus promote and ensure peace.<sup>35</sup>

Note that Schacht is once again speaking the language of the confident capitalist-globalist: but create a "community of economic interests" and war

will be abolished, exactly the same sort of proposition as was advanced by Per Jacobssen in his novel, whom, let it be noted, eventually ended up working in Schacht's creation, the Bank of International Settlements.

But Schacht's globalism—howsoever sincerely he may or may not have believed it—was always (and especially here) couched in terms of the German national interest, for the effect of his international creation was a means to repay the reparations by a massive expansion of the German industrial plant, and by similarly large expansion of exports in its overall economy.

In a word, Schacht was really asking the Allies to create a monster, one part of which, the enormous I.G. Farben cartel, was already in existence. Thus, it may not be entirely coincidental that the reaction of the German *industrial cartels* to Schacht's scheme was entirely predictable, for in the view of such industrialists—Fritz Thyssen of the enormous *Vereinigte Stahlwerke* (United Steelworks) cartel—Schacht's plan amounted to a “pledge of German real assets for a gigantic mortgage held in the United States.”<sup>36</sup> Their response was equally unusual, for German firms evaded the conditions of the Young Plan “by the device of temporary foreign ownership” through foreign holding companies. If this is beginning to sound rather familiar, that's because it is, for precisely the same method was adopted by the Nazis years later as part of their “strategic evacuation” plan for the survival and eventual reconstruction of Germany.<sup>37</sup>

Viewed a completely *different* way, Schacht and the German cartelists are delivering a one-two punch to the Allied Powers, first by opening the spigots of American money, and secondly, using that money to create markets for German products and a vast expansion of the very industrial plant that the Allied powers had tried to hem in at Versailles with the war reparations measures. Schacht's maneuvers, in other words, and his own descriptions of them, should not be taken at face value, for they simply cannot be divorced from the other measures occurring at the same time in Weimar Germany, namely, the creation of the vast trusts and cartels such as Farben and Thyssen's *Vereinigte Stahlwerke* that would benefit from Schacht's “Bank of International Settlements,” the planning for which began in 1929 as representatives of the Allied Powers and Germany gathered to work out the statutes for the new bank.<sup>38</sup> This brings us at last to the Bank of International Settlements itself.

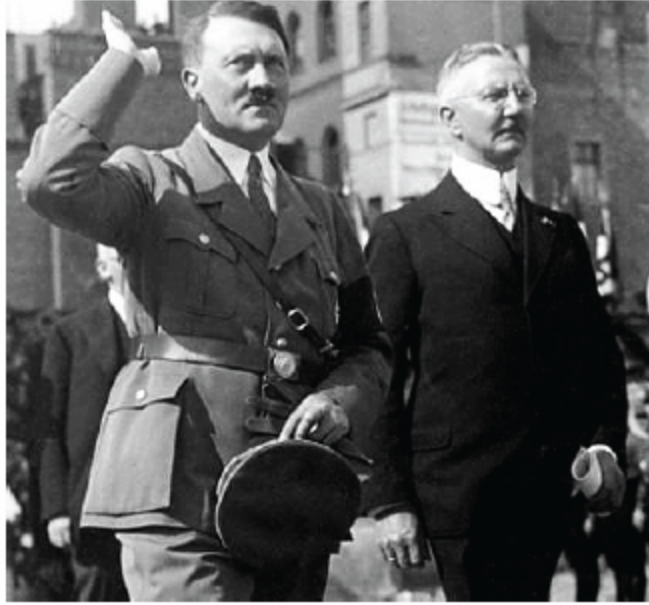


*Left to right: Hjalmar Schacht of the Reichsbank, Benjamin Strong of the New York Federal Reserve, Montagu Norman of the Bank of England, and Charles Rist, of the Banque de France, in New York City, 1927*



*Dr. Hjalmar Schacht, Left, and Montagu Norman, Right*





*Adolf Hitler and Dr. Hjalmar Schacht*

## *2. The Ultimate Insider Trading Mechanism of the Day*

### *a. Its Sovereignty and Secrecy*

The Bank of International Settlements came into existence on January 30, 1930, when the British, German, Belgian, French, Swiss, Italian and Japanese governments signed the document, the “instrument of foundation”. Opening for business on February 27, 1930, it began its financial life with initial capitalization of 500 million Swiss francs, sold to the members of the central banks of the governments founding it in blocks of shares of 2,500 Swiss francs.<sup>[39](#)</sup> Article 10 of its “instrument of foundation” stated one of the most unusual codicils for any bank, central or otherwise:

The Bank, its property and assets and all deposits and other funds entrusted to it shall be immune in time of peace and in time of war from any measure such as expropriation, requisition, seizure, confiscation, prohibition or restriction of gold or currency export of import, and any other similar measure.<sup>[40](#)</sup>

The central bankers had created a central bank for central banks, and, in effect, placed it beyond the reach of any law or government; effectively, the Bank of International Settlements had been granted the status of a sovereign

nation, including the use of diplomatic pouches, and though located in Basel, Switzerland, its buildings are considered “inviolable,” and the Swiss authorities must receive permission before entering it.<sup>[41](#)</sup> Additionally the actions of its officials and managers are “immune under Swiss law, for life, for all the acts carried out during the discharge of their duties,”<sup>[42](#)</sup> a provision that is almost tantamount to an admission that their duties will require violations of law.

To insure that no Swiss authorities need ever be allowed into the bank, it is equipped with state of the art fire suppression, bunkers, and medical facilities. Obsessed with secrecy, there are no minutes of any of its high level meetings nor any lists of its participants, although such individuals are allowed to make their own personal notes.<sup>[43](#)</sup>

As was seen in the previous section, Schacht had proposed the bank as a means of providing the financial component to his scheme to expand German industry and exports, which in turn was meant to repay Germany’s reparations. But when one compares this purpose to its chartered activities and, additionally, activities which were *prohibited* to it, a very different picture emerges. Hungarian researcher Adam Lebor, who has written virtually the only popular and well-researched book on the bank, summarizes the permitted activities as follows:

- buying, selling and holding gold for its own account or for the central banks
- buying and selling securities other than shares*
- accepting deposits from central banks*
- opening and maintaining deposit accounts with central banks*
- entering agreements to act as a trustee or agent in connection with international settlements<sup>[44](#)</sup>

The bank is *not* permitted, however, to issue banknotes, open any accounts for private persons nor for any corporation, nor own any property besides that of its own headquarters, nor purchase equity shares or to possess any controlling interest in any commercial enterprise.<sup>[45](#)</sup>

Careful consideration of the chartered activities of the bank will reveal that the possibility existed for it to have functioned as a well-connected



insider trading mechanism,<sup>46</sup> as is implied by its permitted activities of being able to accept deposits from and maintain accounts with central banks, and to act as a trustee and agent for international settlements. However, perhaps the most revealing of its permitted activities is not simply the buying and selling of gold, both for itself and as an agent or trustee for other central banks, but its ability to purchase “securities” other than stock. The bank, in other words, could directly purchase bonds, either of corporations, or the sovereign debt of nations, and since the bank could “hold central banks’ gold and convertible currency deposits,”<sup>47</sup> and yet was free of any oversight other than that of the participating banks themselves, the potential for mischief simply cannot be gainsaid, as will be seen in the case of Czechoslovakia’s gold shortly.<sup>48</sup>

It was this ability to hold “gold” along with “convertible currency” deposits for central banks that gave the Bank its extraordinary power, for this enabled it to maintain accounts in various central banks. Thus, while the actual physical gold might be held in one central bank, the Bank’s accounts at the various central banks, which were sub-divided into sub-accounts representing various nations, so that if one central bank wanted to transfer funds to another, the Bank for International Settlements would instruct the banks holding actual gold—in practice the Bank of England or the New York Federal Reserve—to debit one account and credit another.<sup>49</sup> Similarly, if a central bank of one country wanted to buy or sell the currency of another, this could be handled by the Bank, which did not charge fees for this service. In this, the Bank for International Settlements was something completely new on the stage of world finance and clearing, for it was the extension and application to an international scale, for the very first time, of the Venetian *banco di scritta*, the banks of the Rialto that would simply transfer funds from one account to another on ledger books. It was a *banco di scritta* for central banks, each one of which was also a *banco di scritta*.

But as Czechoslovakia was to discover once the German occupation of Bohemia-Moravia, and the splitting of Slovakia from the Czech republic had been accomplished in 1939, The *Reichsbank* forced the directors of Czechoslovakia’s central bank, “under the threat of death”<sup>50</sup> to issue orders to the Bank of International Settlements to transfer Czechoslovakia’s gold—23.1 metric tons of it!—from its account at the Bank of England to the

*Reichsbank's* account at the Bank of England, and additionally, to transfer another 27 metric tons from its account to the Bank for International Settlement's account at the Bank of England. [51](#)

Naturally the Czechs had hoped that the transfer orders would have been seen as having been issued under duress and that the debits and credits to the accounts concerned would not occur. But as far as the Bank of International Settlements was concerned, the paperwork was in order. Naturally, Britain's Chancellor of the Exchequer, Sir John Simon, ordered all banks to block Czech accounts, but because the Czech gold was held in the "sovereign" Bank of International Settlements accounts, the order to freeze Czechoslovak transactions had no effect. [52](#) For the sake of the appearance of a legal order and formality, the Czech gold was in effect robbed.

But Schacht, it seems, had yet another card up his sleeve, one which possibly casts his role into a far different, and much murkier light. On March 6, 1930, barely a little over a week after the BIS had opened its doors for "business," Schacht presented his letter of resignation from the *Reichsbank* to the President of the Weimar Republic, Field Marshal Paul von Hindenburg. The reasons given for his resignation? A new German government had taken power, one which promised unilateral revisions to the Young Plan, to which Schacht was opposed. The new government also promised to add a provision to this law that the *Reichsbank* President would be required to join the Bank of International Settlements. Under the revisions of the Young Plan being proposed, Schacht submitted his resignation. [53](#)

Yet, this same Schacht, who had resigned ostensibly over revisions to the Young Plan for reparations, now saw fit to undertake a lecture tour in various small neutral countries, and the United States, for the purpose of creating a climate of opinion favorable for a complete moratorium and suspension of all reparations payments, a tour which ended with Schacht visiting with President Herbert Hoover for an hour, during which Hoover "showed himself fully appreciative" of the idea! [54](#) When Hoover suggested in June of 1931, a mere six months after the conclusion of Schacht's lecture tour, a moratorium on German war reparations payments, "the end of reparations was assured." [55](#) Indeed, the BIS's role here was highly suspicious, for it established a reparations "study committee" headed by a

BIS member, Alberto Beneduce. Beneduce's committee recommended that reparations be " 'adjusted' to ensure peace and economic stability," a polite euphemism for their complete abolition. In June of 1932, the European governments met in Lausanne, and agreed to cancel all but one final German war reparations payment. [56](#)

But Schacht's Frankenstein financial creature, the Bank of International Settlements remained, and this fact, plus the unusual list of activities permitted to it and the additional fact of the bank's "sovereignty" suggests that Schacht had completely different purposes in mind for its creation, as is revealed by the fact that it formed part of his scheme for the expansion of German heavy industry. Indeed, Lebor points out that the American banker, Gates McGarragh, the first president of the BIS, admitted as much when he stated that the mere handling of reparations payments could have been administered by any standard trust company. [57](#) The implication? The BIS was really founded for an entirely *different* purpose.

The question is, what was that purpose?

*b. The McKittrick Era: The Unpleasant Nazi Reality of the BIS:*

*(1) Walter Funk, the Reichsbank, Money and Cartels*

There are two answers to this question, and both are revealed by the subsequent history, first, of how the bank was subsequently viewed, and used, by Germany, and then secondly by how it became a template for an even vaster project, that of the European Union itself. And those two questions are in turn related to each other, as the history of the BIS during the "McKittrick era" of its dealings with Nazi Germany illuminates.



*Thomas Harrington McKittrick (1889-1970), American President of the Bank for International Settlements, 1940-1946*

The “McKittrick” era was enabled by the way that the Nazis viewed the Bank. Nor was their view unique to them, for there are indications that many within the upper reaches of American finance and industrial capitalism saw it the same way, namely, as a common surface to coordinate the transfer of financial assets between them, even when the nations themselves were at war. But on the Nazi side, even this aspect of the Bank’s utility was viewed quite cynically. In 1930, one of Hjalmar Schacht’s protégés, the banker Karl Blessing, argued that because the Bank was in fact established to handle a geopolitical and financial problem, that the Germans present within the Bank’s directorate and staff should not only advance German views at every opportunity.<sup>58</sup>

Blessing did not stop there, however, but advanced the idea that the Bank should be the object of psychological warfare, of *Weltanschauungskrieg* or “world view warfare,” as the Nazis would later refer to it. Blessing’s recommendation here strongly suggests the possibility that Schacht’s motivations for midwifing the Bank into existence may have been, in part, to create that international “common surface” that Germany could exploit for the continuity of its financial and commercial interests, even in the event of another general war. The method Blessing proposed was to exploit “the completely utopian objectives of the bank.”<sup>59</sup> What did Blessing mean by this?

Recall Schacht’s rosy explanation of the purposes of the Bank when he first pitched the idea to Owen Young: by creating ever wider and more

entwined “communities of financial interests” war could be avoided. But those same communities of interests, and whatever “common surfaces” they institutionalized, could function equally well as mechanisms of capital and technology transfer, and thus as mechanisms to ensure the continuity of *factional* interests, namely, *German* corporate power and interests, should any future war go against Germany.<sup>60</sup> In this respect, recall that Schacht’s vision is eerily similar to that propounded in the Madrid Circular.

In any case, Blessing was subsequently in a position to do something about his recommendations, for by 1931 he assumed a high level position at the Bank.<sup>61</sup> Blessing returned to the BIS in 1958, after he had become President of West Germany’s *Bundesbank*, a fact that indicates the continuity of interests, personnel, and policy after the war, which will become more and more evident as this chapter proceeds.

Blessing was not, however, the only high-ranking German, for the BIS quickly became a means for the Nazis to maintain close contact with the right-wing of American high finance.

By 1933, Schacht had appointed prominent Cologne banker Kurt Freiherr von Schröder to the BIS’s board.<sup>62</sup> While von Schröder was never formally a member of the Nazi Party or its organizations, he was instrumental in the financial circles of power that backed Hitler’s rise to power, and was always sympathetic to the Nazis. Indeed, the Schröder Bank’s American division had future American spy-master and Sullivan and Cromwell attorney Allen Dulles on its board, and von Schröder himself sat on the board of another bank, J.H. Stein, personal bank of SS *Reichsführer* Heinrich Himmler, and the same bank that handled accounts for the “circle of friends” in German high finance, the *Freundeskreis*, that provided funds to Hitler.<sup>63</sup>

This intertwining of German high financial and high industrial capital was represented even more directly when the chairman of the board of I.G. Farben, Hermann Schmitz, joined the board of the Bank of International Settlements in 1939.<sup>64</sup> Other Nazi BIS members included Emil Puhl, the vice-president of the *Reichsbank*.<sup>65</sup>

## (2) *The American Component: The Sullivan and Cromwell Circle*

It was the American President of the Bank from 1940-1946, Thomas Harrington McKittrick, however, who best epitomizes the interlocking factional financial interests between the USA and Nazi Germany. A close associate of Per Jacobssen,<sup>66</sup> McKittrick represented that circle of American industrialists and capitalists that were opposed to the Roosevelt Administration's call for the complete unconditional surrender of Nazi Germany, and who were opposed to Roosevelt's Treasury Secretary Morgenthau's plan for the complete post-war de-industrialization of the country. Rather, McKittrick, through his contacts with the American financial right wing via Allen and John Foster Dulles in the Wall Street firm of Sullivan and Cromwell, was one of those trying to negotiate a separate peace with the Nazi regime as late as 1944. The principal concern on both sides of these covert negotiations were to overturn the Morgenthau plan and to "preserve the industrial substance of the Reich," as a wartime cable to Allen Dulles put it, again in language eerily similar to the Madrid Circular.<sup>67</sup> In this respect, it will be recalled that the Circular made explicit reference to the use of German-friendly business contacts in the USA in order to effect the overthrow of the Roosevelt-Morgenthau plan for the postwar de-industrialization of Germany, contacts which ran largely through the Bank of International Settlements.

### *(3) The Bank of International Settlements, the Nazis, and the European Union*

As one might suspect, however, the Roosevelt Administration was not oblivious to the machinations of McKittrick, the "Sullivan and Cromwell circle," and the Nazis. Here we enter upon another part of the story, one seldom if ever commented upon by researchers, namely, the relationship of the wartime and post-war Communist cells in the United States to all these machinations, a subject which we will pursue more deeply in Part Three.

Here, however, we must touch upon it, for Roosevelt's

Treasury Department did not share the State Department's enthusiasm for McKittrick and the BIS. *Henry Morgenthau, the Treasury secretary, and his colleague, Harry Dexter White*, loathed the BIS, seeing it, correctly, as a channel for the perpetuation of Nazi economic interests

in the United States. They ensured that the bank was facing ever more obstacles to doing business in the United States.<sup>68</sup>

The reason for the opposition should, be now, be obvious, for Morgenthau's Treasury Department "believed that Swiss banks were being used to transfer ownership of Italian and German firms to Swiss or American front companies,"<sup>69</sup> as indeed they were. Thus, in June 1941, the US government revoked all licenses of Swiss banks, including the BIS, from doing business in the USA,<sup>70</sup> which mean the private US banks that were shareholders of the BIS, JP Morgan<sup>71</sup> for example, were not receiving their dividends. Not surprisingly, McKittrick turned to his old associate at Sullivan and Cromwell, John Foster Dulles, to convince the US Treasury Department to release the BIS's funds.<sup>72</sup>

It is worth pausing for a moment to consider briefly Henry Morgenthau Jr and Harry Dexter White. Morgenthau was, of course, Jewish, and a close personal friend of Franklin and Eleanor Roosevelt, and it was Morgenthau who elevated White, also Jewish and a World War One veteran and Harvard economist, to the US Treasury Department.<sup>73</sup> Viewed from a certain perspective, then, the conflict between the McKittrick faction, representing the BIS with all its intertwined Nazi and American industrial interests, and the Morgenthau-White group, could be seen as a struggle between Nazism and "international Zionism," as certain circles of Nazi propagandists indeed viewed it after the war. In reality, the real struggle was one between the two militarized socialist ideologies of Communism and Nazism and their factions within the American government.<sup>74</sup>

Morgenthau and White were, of course, the American representatives to the 1944 Bretton-Woods conference that erected the postwar western financial system, including the founding of the World Bank and the International Monetary Fund. There they both pressed strongly for the abolition of the Bank of International Settlements.<sup>75</sup> Harry Dexter White minced no words about the BIS:

They hope to be a moderating influence in the treatment of Germany during the peace conference. That is why Germany has treated it with the greatest of care. She has permitted her to pay dividends; she has let the people of the BIS come and go across enemy territory;<sup>76</sup> she has



been extremely careful and well-disposed to the BIS, because she nursed that baby along in the hope that it would be a useful agency that would protect her interests beyond those that any other institution around the peace table would.<sup>77</sup>

The BIS, in other words, was to be a key component in the postwar reconstruction—and continuity—plans of the Nazis.

Nothing reveals these plans and the continuing interface of the American industrialists and German cartelists as what happened *after* the war. By this time, McKittrick's tenure as BIS president had come to an end, and he had become a vice-president at Chase National Bank, when he was tapped by Averell Harriman, now in charge of the Marshall Plan to go to work for him in administering the plan!<sup>78</sup> Harriman was, of course, closely associated with Prescott Bush of the Union Bank and Trust, the bank interconnected with German steel cartelist Fritz Thyssen and whose assets had been frozen by the Roosevelt Administration under the Trading With the Enemy act.

More importantly, Harriman was an ardent promoter of the idea of a European Union. "Our whole concept," he would write, "of the unification of Europe was *that it would first contribute to economic unification. Then we hoped to secure an economic-military unity and finally a political unity.*"<sup>79</sup> One wonders why an American diplomat and businessman would be echoing the concepts and war aims of the German elite since General Bernhardt and Chancellor Bettmann-Hollweg! As we shall see shortly, he was also echoing the far more detailed plans of the wartime Nazi elite itself. In any case, the Marshall Plan aid was also contingent—the Americans insisted—on the Europeans forming a customs union that would lead to "eventual European Union."<sup>80</sup> In any case, such a union would benefit American corporations trading in Europe; but such a union was also, as we have seen, a clear war aim of the German industrial and military elites prior to World War One. It was a clear case of the coalescence of the political and financial interests of both elites, as the role of John J. McCloy, pre-war American lawyer for I.G. Farben, and post-war American High Commissioner for Germany, reveal, for it was McCloy who finally persuaded the Truman Administration that enacting the Morgenthau Plan to de-industrialize Germany would be a strategic mistake.

Again, one must wonder, for the Madrid Circular makes it clear that the tactic of persuading the western Allies that such a plan would only mean that Germany would fall into the hands of the Communists, was the “blackmail diplomacy” method chosen at the end of the war to prevent that fate. The fact that McCloy ends up as American High Commissioner for Germany strongly suggests that influence was wielded behind the scenes, influence favorable to the German cartelists.

Like Harriman, who had his own connections to German cartelism, McCloy was a European Unionist. In 1950, in London in a speech titled “Germany in a United Europe,” McCloy—once again, former lawyer for IG Farben and then the American High Commissioner for Germany—would state unequivocally: “I say no permanent solution of the German problem seems possible without an effective European union.” [81](#)

One gains a certain appreciation both for the subtlety and grandiosity of the game going on, for on the one hand, NATO and a “united European economic community” can be viewed, and *sold*, as a means of keeping German economic and military power in Europe in check. This was clearly the way that McCloy meant his British listeners to understand his remarks. But the fact that it is a former lawyer for I.G. Farben saying them, and that such a union was the consistent goal of the German financial and political elite all along, means also that such a union might not be the ultimate check on German power, but the fulfillment of its consistent ambitions.

It should come as no surprise, therefore, that when the western European nations agreed to accept each other’s currencies for payments in trade via the 1950s European Payments Union that it was the Bank of International Settlements that was the appointed agent to handle accounts. It was now the financial clearing house for all of Western Europe. [82](#) As for the Nazis, the various mechanisms along the road to European union were to be nothing but fronts for an imperium of the German cartels, as indeed former Dutch prime Minister Jelle Zijlstra tirelessly argued. [83](#) Consequently, ever since the establishment of the European Payments Union, the Bank of International Settlements “has been at the heart of the European integration project, providing the technical expertise and the financial mechanisms for currency harmonization.” [84](#)

There was yet another role the BIS was to play in the postwar financial world, and it is a role that when viewed from the standpoint of all the

factors swirling around it, raises intriguing speculative possibilities. This was the establishment in 1961 of the London Gold Pool, to which the USA, Belgium, the Netherlands, France, Italy, West Germany and the United Kingdom all pledged two hundred and seventy million dollars of gold to maintain the gold price of \$35 per ounce, the price peg of the Bretton Woods agreement. All of this was, of course, deposited with the BIS, which became the principal agent for the pool in concert with the various central banks. It was, in effect, a BIS “gold cartel” which was constructed and operated “on conditions of complete secrecy.”<sup>85</sup> Given the BIS’ role in accepting Nazi gold—much of it plundered from Axis conquests in Europe, not to mention literally pried out of the teeth of concentration camp victims—one wonders if the BIS might be not only at the apex of the public system of central banks, but at the apex of a completely *hidden system* of finance, one represented by all the gold-backed bearer bonds scandals of the first decade of the twenty-first century.

Now let us pause, and *take a very deep breath for...*

#### *(4) The Indications of a Hidden International System of Finance*

Let us assume, for the sake of argument, that The Bank of International Settlements is the principal agent of a hidden bond market representing the movement of vast sums of money completely untraceable to the public system, for consider, in today’s electronic age, international clearing *electronically* is ultimately accessible to electronic surveillance. **The physical movement of collateralized bearer bonds, such as the gold-backed bearer bonds of the early 2000’s bearer bonds scandals, would not be subject to such tracking and surveillance, permitting a system completely off the books to exist, and requiring the services of an international clearing house of known secrecy and lack of moral scruples to accomplish it, a bank like the BIS. Such a system, via the BIS’s diplomatic courtier and privileges, could be used to physically move such securities in its diplomatic pouches anywhere on the globe, to fund a secret fusion research project in Argentina, reverse engineer UFOs (Nazi or otherwise) in the American southwest, or, indeed, to build the world’s largest machine in Switzerland itself, and perhaps eventually an even bigger version of it in China.**

Let us assume, further, that for whatever reasons one wished to establish such a hidden system of finance, that the liquidity generated by such a system was *not* simply disappearing underground or off planet in an “open system,” but that the system is *closed upon this planet*, and therefore, that whatever liquidity is generated must inevitably reappear in the system. The system would, inevitably, betray its existence by massive inflation. So how would one mask its existence?

Let us now make another assumption, namely, that the gold-backed “bearer bonds scandals” represent the bonds in this system. Because these are bearer bonds, and denominated in US dollars, such bonds would represent the local convertibility of such securities in dollars for the funding of such projects internationally, for which the US Treasury *or* the Federal Reserve would be liable. Since the bonds represent trillions of dollars, this would have to be potentially converted into currency, which would flow into the system and signal the existence of the hidden system via massive inflation. So again, how would one mask its existence? One would initially do so within the constraints of the Bretton Woods system by manipulating the price of gold to maintain the price peg as close to \$35 per ounce, exactly as indicated. As inflation grew, this peg would eventually become “unpegged” and the price of gold would move up, but again, would have to be manipulated and suppressed to the extent possible to mask the system’s existence.

But in order to do *that* one would have to have access to *vast* amounts of gold, amounts of gold that would similarly have to be kept off the books, in secret accounts (a practice which, by now, it should be evident that the BIS excels in). This high speculation may in part answer the question so many have had, namely, with the establishment of the IMF and World Bank, why was the BIS allowed to continue in existence? Beyond its role in the mechanisms of European Union, it may have a much more covert purpose and role.

That this covert purpose and role was to aid and abet the postwar plans and projects of the Nazi International is at least in part revealed by a transfer on its gold accounts in late March of 1945, as the Third Reich was crumbling, of 500,813 kilograms of gold on the accounts of the *Reichsbank* to the account of the Bank of Brazil. As researcher Peter Levenda indicates, “using a conversion value of around US \$1000.00 per ounce that means this

single transaction would be worth today...an amount in excess of *seventeen billion US Dollars.*” [86](#)

With this in mind, let us take *another deep breath, and consider...*

### *C. Buried Bullion and Treasure Trusts: The Continuing Harrowing Adventures of Hjalmar Schacht in Indonesia*

#### *1. De-Nazifying Schacht*

The mere mention of Hjalmar Schacht in connection with Indonesia may seem incongruous, but it is, I believe, a crucial part of this story. As many researchers into the phenomenon of postwar organized extra-territorial Nazism have noted, Schacht was a close friend and associate with SS Lieutenant-Colonel Otto Skorzeny and his Spain-based group of Nazis. [87](#) Levenda, however, draws attention to a very significant point:

*The Skorzeny-Schacht relationship cannot be over-emphasized, since Schacht had always been at pains to present himself as an anti-Nazi — pointing to his brief imprisonment for alleged involvement in the Hitler assassination plot as evidence of his bona fides. However, this episode has been criticized extensively by investigators who see it as a deliberate attempt to “de-nazify” Schacht in anticipation of the fall of the Reich, so that he would be free to carry on the mission of resurrecting the German economy after the war.* [88](#)

In this, Schacht may very well have been “sheep-dipped” as a part of the operation of “de-nazifying” high ranking Nazis by implicating them, and in some cases imprisoning them, for alleged participation in the July 20, 1944 bomb plot against Adolf Hitler, exactly as the Madrid Circular astonishingly and explicitly stated. As was stated in chapter one, some Nazis may have been “executed,” and their grizzly executions “filmed,” in order to convince postwar Allied Nazi hunters that certain individuals were dead. One does not search for people that are dead. Other high profile figures such as Schacht were “imprisoned” for their roles in the plot.

But whatever the truth or lack thereof of Schacht’s own personal postwar denunciations of accusations of being a Nazi, his actions after the war show remarkable consistency with the pattern observed in previous chapters, and

nowhere more so than in his relationship with Indonesia's "progressive" President Sukarno.

## 2. *Schacht and Sukarno*

Once Indonesia had gained its independence from the Netherlands, Sukarno served as its president from 1945 to 1967. But it was his dealings with Schacht with which we are concerned, for Sukarno held a series of meetings with the BIS founder and former *Reichsbank* president in Jakarta in 1951.<sup>89</sup> From these meetings Sukarno sponsored a conference in 1955 called the "Asian-African Conference" in the Indonesian city of Bandung, the purpose of the conference being to consolidate the Third World nations that did not wish to align either with the Soviet Union or the United States or their associated blocs of alliances. In this, Sukarno was following the "Third Way" positions of Juan Perón in Argentina and later of Libyan dictator Mohammar Qaddafi,<sup>90</sup> and, for that matter, of the Madrid Circular, though it is unlikely Sukarno knew of its existence. But the association with Schacht is all one needs to discern whence the idea may have been germinated. Attendees at the Bandung conference included not only the Grand Mufti of Jerusalem, Al Hussein, uncle to PLO leader Yasser Arrafat, but also representatives of other Muslim nations and the Muslim brotherhood as well.<sup>91</sup>

Sukarno's own apparent Axis sympathies during the war were a matter of record, as he had given talks in Tokyo "praising the Japanese and calling for war against the Americans and the British as well as the Dutch,"<sup>92</sup> but these sympathies may only have been mere convenience, as Japanese power may have presented itself to Sukarno as the best available means to overthrow Dutch rule in Indonesia.

But Sukarno also had another idea, one that would take the Bandung conference beyond mere talk:

There was also the idea in the back of Sukarno's mind of creating an international bank that would be the Non-aligned Nations's (sic) equivalent of the World Bank of the IMF—both of which Sukarno viewed as puppets of the superpowers and especially of the United States. The creation of such a financial institution—independent of the

World Bank and hence independent of Western control—would be viewed by the West with considerable alarm.

Who suggested this course of action to Sukarno?...

If there were a financial mastermind behind this bold idea of Sukarno, one need look no further than the same financial mastermind who helped create the banking structure and economic power of the Third Reich and who allowed Germany to re-arm in spite of the strictures of the Versailles Treaty: Hjalmar Schacht. [93](#)

But the Nazi connection, according to Levenda, does not stop there, for Sukarno apparently intended to capitalize his bank—at least in part—with gold that had come to Jakarta from the Bank of Portugal, where it had been held for the account of the *Organization der Ehemaligen SS Angehöriger*, or to give it its more notorious name, ODESSA, the infamous postwar Nazi SS organization. [94](#)

In the context of the Bretton Woods system, what Sukarno was attempting to do was to establish a parallel international banking and clearing system, independent of Western and American control, in a fashion similar to the creation of the BRICS development bank and Asia Infrastructure Investment Bank by China today. Perhaps it is also germane to this story to point out that Schacht, like many Nazis, favored an alliance, not with Imperial Japan, but with Nationalist China. [95](#)

But Schacht did not stop there, for he was also

Trying to convince Sukarno that he should create a kind of financial and political Maginot Line out of his archipelago that would provide a buffer against the spread of Communism from China and Indochina—one that would then extend “in a vast Islamic crescent from Australia to the Arab nations of the Mideast.” This is a preview of what later would appear as the *khalifa* or caliphate dreams of the Islamic fundamentalists of the 1970s, 1980s, and down to the present day: Islamists who want to create just such an “Islamic crescent” from Southern Thailand, through Malaysia, Indonesia, and the Philippines. To start. To think that this might have been suggested—or at least supported in its early stages—by former Nazi Economics Minister Hjalmar Schacht is almost surreal. [96](#)



Or perhaps it isn't so surreal after all, for as we have seen in previous chapters, the weaponization of radical Islam against the Anglo-American financial and industrial power interests has been a consistent policy of the German financial, military, and industrial elites from the Kaiser's day down to our own, suggesting once again that perhaps the war on terror is the public face of a much more deadly and secret war on a postwar "Nazi International".

However, the story does not end there; the murkiest parts are yet to come, and Levenda excels in summarizing them. That part of the story forms a component in the larger tapestry of stories that have made their way around the internet conspiracy circuits, stories that include the theft of the Soviet Union's gold, the story of Leo Wanta, the story of Ferdinand and Imelda Marcos' gold, the Black Eagle trust (a supposed secret gold cartel funding American covert operations), high financial crimes in connection with the 9-11 events, the bearer bonds scandals, the Japanese plunder of Asia during World War Two known as Operation Golden Lilly and General Yamashita's gold. [97](#)

This aspect of the story is "Sukarno's gold." Here, however, the pattern fits a familiar story. According to the story, Sukarno knew of, or controlled,

...a vast fortune in gold, most of all of which represented the fruits of Japanese and German war crimes: the seizing of art, jewelry, antiques, as well as gold, and its disposition in hidden places around the world for eventual re-use. Much of this gold, and art treasure was buried in caves throughout the Philippine islands—where some of it has actually been found—and the rest in other areas of Southeast Asia, notably in the Indonesian archipelago. [98](#)

This treasure in turn was securitized in the form of "genuine gold certificates worth billions of dollars at today's price, certificates representing accounts in foreign banks in the name of Sukarno himself." [99](#) With this, one recognizes the now familiar pattern of the Bearer Bonds Scandals raising its head once again.

But, as Levenda notes, the behavior of banks and governments "when confronted with these documents" is bizarre if they are simply counterfeits or forgeries, for the individuals who have presented them are sometimes

thrown into prison and then released without explanation, or simply disappear, or, in some cases, die “under mysterious circumstances.” [100](#)

As if all of this were not strange enough, there does appear to be at least some solid and hard core of truth to the whole matter, for Levenda also observes that even the *New York Times* reported in 1997 that some forty tons of Nazi gold somehow made it both to China and Indonesia, out of a shipment of some four *hundred* tons of gold, though nothing is known of what happened to the other three hundred and sixty tons! [101](#) Nor was this the only media exposure to the Sukarno gold, for *The Straits Times* of Singapore ran a story on January 24, 1987, that stated that the Sukarno government had deposited millions of dollars in 1960 into the Union Bank of Switzerland. [102](#) The article also notes that Sukarno intended this to be used for a “revolutionary fund” to help build Indonesia’s infrastructure, which suggests that he also intended it to function as backing for a currency.

The story takes an even *stranger* turn from there, for one of the Americans sent to Indonesia in the 1950s, apparently in an effort to disrupt Sukarno’s plans, was none other than Lee Harvey Oswald(!), [103](#) whose own connections with the Nazi International may have been via Dallas White Russian émigré and oilman, George de Mohrenschildt, a man with his own possible connections to the Nazi International via German General Reinhard Gehlen’s *Bundes-nachrichtendienst*. [104](#)

At this juncture Levenda makes a crucially important observation not only on the motivations of President Sukarno, but on those of the financial elites that would wish to keep the existence of the Nazi and Japanese loot a secret. Here Levenda not only speaks directly to the problematic, but implies the existence of the speculative hidden structure summarized in the previous section, and it is hence necessary to cite his deeply penetrating remarks at length:

Revealing the existence of the gold could cause serious repercussions in world financial markets. If enough gold was suddenly dumped on the banks the price of gold would plummet, and the value of the gold reserves of the United States and other countries would be cut dramatically, plunging the world into economic chaos. The gold would then have to be handled discretely. *It would have to remain hidden, and the shares of the gold sold like government bonds. Some of the gold*

*could be taken out of hiding and shipped to banks abroad for safe-keeping and as collateral for the certificates, but there would always be the problem that the banks could not be trusted and would in the end deny that the gold ever existed.* [105](#)

Succinctly put, the existence of such quantities of bullion and other hard assets such as jewels, virtually guarantees the emergence of a hidden system of finance, complete with its architecture of gold-backed bearer bonds, and banks that maintain that there is no such system nor such amounts of gold. The article in *The Straits Times* of Singapore, in other words, may be virtually the only public glimpse of this system until the Bearer Bonds Scandals a little over two decades later.

Moreover, there's even another connection between the Sukarno gold story, and that of the wider Bearer Bonds scandals, and this is its resemblance to the "57s bonds" scheme of Japanese Prime Minister Tanaka. Faced with bonds coming to maturity, and not having the money in the Ministry of finance to redeem them, Tanaka hit upon the brazen scheme to "swap paper" with the bondholders by issuing the so-called "57s" bonds, so named because of their issuance in the fifty-seventh year of the reign of Emperor Hirohito. These bonds, however, were absolutely unique in their design and did not resemble any previous Japanese sovereign securities, and, additionally, were bearer bonds issued with unique and deliberately designed flaws, such as misspellings and other "errors" that would allow the Japanese government to denounce them as forgeries or counterfeits should anyone attempt to redeem them. And even if redeemed, the Japanese Government could pretend it was only doing so out of some sort of "compassion," and do so at a tremendous discount to the bondholder. [106](#)

Here, once again, it is necessary to cite Levenda's penetrating analysis of the Sukarno "gold documents" and their enormously important implications:

The certificates are quite unusual in design and execution, and seem to argue against being hoaxes by virtue of the fact that there are very clearly typographical errors that seem intentional. For instance, a certificate can be beautifully printed on heavy, embossed paper with a flurry of stamps and signatures—all perfect and verifiable—as well as

account numbers and other details concerning the value of the certificate. Then, oddly after all of this work, the name of the beneficiary will be deliberately misspelled. Ironically, this is considered proof that the certificate is genuine. This is because a clever forger would not have made the mistake of misspelling the beneficiary's name. In order to guarantee the authenticity of the certificate, the name would be slightly misspelled as a kind of coding system, verifying that the certificate was genuine. It seems counter-intuitive but then the best cryptography often is. [107](#)

Note the crucial significance of what is actually being stated here, for this is the *second* example of a sovereign government issuing such securities with deliberately executed errors, and thus it raises the probability that they represent something real that is occurring on a highly covert and secret level within the western international banking and financial system.

Levenda zeros in on one aspect of the problem they thus pose:

This is the essential problem: these are not bearer bonds or bank checks, or even personal checks. These are basically statements that such funds exist, that they have the requisite account numbers, and that the banks verify that these funds exist. In essence, the bank acts as a witness to the existence of the gold or cash—and will act as a kind of intermediary in some future transaction that is covered by an arcane and complex set of rules that were established at the time the accounts themselves were established. Similar to the idea of a Swiss bank account that can be numbered and anonymous, but accessed by a person with the right codewords or code numbers, these documents can only be negotiated by the people or agencies—commonly referred to as “trustees” but sometimes, as in the Sukarno case, as “gurus”—listed in the documentation attached to the certificates. [108](#)

To put it as bluntly and “country simple” as possible, *fraud* in the form of deliberate errors and an arcane procedure for moving monies via such instruments has been made the operative “business model” of the system. Levenda himself summarizes the effect of all of this by pointing out that

this is a clear indicator of a vast hidden and entirely secret system of finance:

One problem with this entire story of gold certificates worth trillions of dollars is that the instruments themselves are unique. *They are not normal banking instruments, but instead were created for a special purpose: to control the movement and ownership of the large stores of gold and other valuables that would be held outside the standard banking channels and used only by and for a select group of insiders.*

[109](#)

And as I have pointed out on numerous occasions in reference to the Bearer Bonds Scandals, why would anyone go to the enormous effort and expense of creating such a massive hoax, running it time and time again, with little prospect of ever redeeming any of these certificates even at extremely sharp discount, if there were no reality behind them? [110](#)

Levenda sees the exact same problem, and states it in almost exactly the same terms:

More smoke? More mirrors? There is so much documentation available on these cases—from hundreds of pages of signed and sealed bank statements, official-looking documents from government agencies, and the certificates themselves—that it seems the hoax (if such it is) is truly massive in scale, and yet with very little payback. No bank, no government, seems willing to verify the authenticity of these documents. If it is a hoax, then why? Who is being hoaxed and to what extent? And why would someone go to all the trouble of creating beautifully designed and printed bank certificates only to misspell the names of the beneficiaries in childish ways? And why are those in possession of these documents being sentenced to lengthy prison terms, far out of proportion to their crimes? [111](#)

To close this circle of high strangeness surrounding the story of the Sukarno “gold documents” more completely, Levenda mentions one, final, highly tantalizing piece of information. As the Japanese Empire began its blitz through Asia and the Western Pacific, the colonial powers of the area

began to ship as much of their gold from their colonies as they could, and this included the United States, which shipped gold from the Philippines to the USA via Hawaii. The military officer in charge of this operation was then Major General Charles Willoughby, who was General Douglas MacArthur's intelligence chief throughout, and after, World War Two. [112](#)

But Willoughby was also a member—along with Lt. Col. Philip Corso of *The Day After Roswell* fame—of a secret society called the Shickshinny Knights of Malta. [113](#) Lt. Col. Corso, it will be recalled, had at one point been involved in the security vetting of Nazi scientists being brought to the USA as part of Operation Paperclip. Willoughby had his own German connection, for he was in fact, German. Charles Willoughby was not even his real name, having been born Adolf Karl von Tscheppe-Weidenbach in Heidelberg in 1892, the son of a German baron and an American mother. He changed his name to Charles Willoughby when he immigrated to the USA. Because of this German heritage, MacArthur referred to him as his “pet fascist.” [114](#) It was Willoughby who oversaw, for MacArthur, the recovery of Japanese loot in the Pacific, and additionally, who maintained close ties to General Francisco Franco's government in Nationalist Spain, and with Texas oil magnate H.L. Hunt. [115](#) Hunt in turn maintained close intelligence contacts with General Reinhard Gehlen's *Bundesnachrichtendienst* ” [116](#) —probably through “White Russian,” but in reality, Russo-German émigré George de Mohrenschildt—facts which raise the question of whether or not Willoughby ever completely shed his allegiance to Germany or if, indeed, he was a deep-cover agent all along.

But while the Nazis were transferring vast amounts of money via the BIS out of Europe, and fomenting, via a “de-nazified” Schacht who nevertheless somehow managed to maintain close contact with other Nazis after the war, what were they doing *inside* Europe? What exactly were their *detailed* plans for a “European federation”? This is where, as researcher Adam Lebor put it, the truths are both uncomfortable and unspoken, because “the parallels between the plans of the Nazi leadership for the postwar European economy and the subsequent process of European monetary and economic integration are real.” [117](#) The devils are always, however, in the details, and in this case, the details *are* devils.

#### *D. Molecule Monopoly and the Transhumanism Tango: Uniting Europe, Patent by Patent*

The pattern of consistent objectives that was discovered in chapter two—the German war aims during both World Wars of creating a European customs union—is mirrored by a consistent pattern of Nazis or Nazi-connected individuals connected with the planning and implementation of such a union after the war, and behind *them*, one is also able to discern the now-familiar pattern of “cartelization.” It is when one considers the detailed plans of the Nazis for such a union that these parallels become not only deep, but highly disturbing.

For example, Arthur Seyss-Inquart, the notorious Nazi governor of the Netherlands during World War Two who was sentenced to hang by the Nuremberg War Crimes Tribunal after the war, stated that there should be a European federation—under German leadership of course—“above and beyond the concept of the nation-state,” a federation that “once national barriers are removed” would allow increased trade and movement of capital and goods thus increasing the continent’s prosperity.<sup>[118](#)</sup> One must note that the meme of the obsolescence of the “nation-state,” a familiar article of the globalists’ credo, a meme that might moreover seem contradictory to the Nazis’ extreme nationalism, is in fact quite consonant with the Nazi creed of the *Führerprinzip* and the “People” (*das Volk*) as a kind of mystical religious entity of its own. It was, after all, not the *nation* that was part of the familiar Nazi invocation “*Ein Volk, ein Reich, ein Führer*” (One People, One Federation, One Leader), but precisely the *Reich*, the federation, the commonwealth, the Empire.

Schacht’s successor at the *Reichsbank*, Walter Funk, wrote papers during the Second World War advocating the postwar creation of a European “large-unit economy,” including an idea of a “*Reichsmark*” zone that would eventually lead to the creation of a common currency given the application of a “suitable monetary technique.”<sup>[119](#)</sup> This staged introduction of a common currency after first creating an “economic zone” based on German currency was, as we shall see in the next chapter, precisely the staged plan that was followed after World War Two in the creation of the Eurozone, following the establishment of the Exchange Rate Mechanism that was, predictably, based on the West German *Deutschmark*:



Funk's analysis and prediction are unshakably (sic) prescient of the subsequent course of postwar European economic and political history. The Reichsmark would be the dominant currency, and once it had been freed of foreign debt, its currency area must "continue to widen." Bilateral payments must be transformed into multilateral economic transactions and clearing arrangements, "so that the various countries may enter into properly regulated economic relations with one another *through the intermediary of clearing arrangements of this kind*" —just as happened with the 1947 Paris agreement on multilateral payments and its succession mechanisms, such as the European Payments Union (EPU)." [120](#)

Careful reading of Funk's proposals indicate the presence of the BIS model hovering over the whole scheme, namely, of an international payments and clearing system and bank dominated by Germany through the dominant position of its currency. This, again, will become particularly apparent once we turn to consider the Exchange Rate Mechanism—the final step toward the euro—in the next chapter.

Perhaps no one, however, is in a better position to understand the resemblance of the structure of the European Union and its many parallels with the wartime aims of Germany through the two World Wars, and the role of the large German chemicals combines in its construction, than the Germans themselves. German physician Doctor Matthias Rath has appeared in numerous conferences along with other speakers in Germany and Poland, attempting to raise people's awareness on this topic, and not without consequences to himself, as he has faced numerous lawsuits from the medical and pharmaceutical corporations for his assertions.

Rath, along with co-authors Paul Anthony Taylor, Aleksandra Niedzwiecki, and August Kowalczyk, has authored an important small book, whose importance is belied by its few pages: *Die Nazi-Wurzeln der Brüsseler EU (The Nazi Roots of the Brussels EU)*, which lays bare the participation of leading Nazi and pro-Nazi sympathizers and theorists in the formative years and structures that led to today's European Union.

Rath and his co-authors propose two theses, which have been followed throughout this book:

- 1) Following the conclusions of the Allied investigators and the American prosecutors at the Nuremberg Tribunal, Rath first assumes that World War Two would not have been possible without the large German chemicals firms, i.e., impossible without the I.G. Farben chemicals cartel; [121](#) and,
- 2) World Wars One and Two were really the first and second attempts *by this cartel and the firms comprising it*, to unify Europe by the force of German arms, [122](#) and once unified, thence to dominate the world. Viewed from the perspective of these chemical firms and the Farben cartel that they comprised, the Second World War in particular was a war to establish the cartel's dominance and control of the billions of dollars market in chemicals, petrochemicals, and pharmaceuticals. [123](#)

To these theses, Rath adds a third:

- 3) The same chemicals cartel and Nazi personnel planned and staffed the institutions of the European Union, and hence, the European Union constitutes but another attempt by the same corporate interests to dominate Europe and, by creating a third major "superpower," the world. [124](#) Put differently, the same power structure as lay behind the Nazis, is masked by the European Union. Indeed, the European Union and its lack of genuinely democratic structures is no accident, argues Rath, for its structures and policies are nothing but the realization of Nazi plans for a European federation, or rather, a European *Reich*, with the EU and its bureaucracies being nothing but a "politburo" for the large German chemical concerns. [125](#)

### *1. The Patent Principle and the Molecule Monopoly:*

#### *a. Dr. Walter Hallstein*

Rath zeros in on a fundamental problematic: how could democratic nations, some with a long tradition of it such as the Netherlands and the United Kingdom, create the European Union, [126](#) where the so-called parliament has no legislative power, and where all "law" is determined by an unelected commission whose members are appointed by the member

nations? The answer, as suggested by all that has preceded, is that the European Union is less the creation of its member nations, and more the creation of the large chemicals cartels,<sup>127</sup> in conjunction with other large European corporations.

Here, however, the devils are once again in the details, and these devils are not only Nazis, but Nazi *attorneys*, and the method of expanding the cartel interests and power was by patent law. Indeed, for the Nuremberg War Crimes Tribunal, patents were not only a means for the Farben cartel and its constituent corporations to bypass national political control, they played the key role and were the principal method<sup>128</sup> by which Farben expanded its power across the continent in the wake of Nazi conquests. In this context, Rath points out a significant detail seldom appreciated, for the term “*Grossdeutschland*” —Greater Germany—became a code word both for the Nazi Party and its cartel backers. The *public* meaning of the term was plain enough, for it simply meant the outright annexation of territories adjacent to the Reich once the *Wehrmacht* had conquered them. But for the Nazis and the chemicals combines, it had an additional, more secretive and insidious meaning. For them, *Grossdeutschland* expressed not so much the territories actually formally annexed to the Reich, but rather the regions over which their “jurist-Stormtroopers”<sup>129</sup> were engaged in homogenizing and harmonizing the patent laws of conquered countries with those of Germany. In effect, they were creating a body of law for all of Europe.

At this juncture, Rath and his co-authors focus upon a little-known, but hugely significant speech given by one of these attorneys-cum-legal theorists on January 24, 1939, barely nine months before the outbreak of World War Two. The speech, *Grossdeutschland als Rechtseinheit* —“Greater Germany as a Legal Unity”<sup>130</sup>—was given by Prof. Dr. Walter Hallstein, a professor of law at the University of Rostok, and, as will be seen shortly, a massively important figure in the postwar creation of “European institutions,” to such an extent that he made justifiably be considered one of the “founding fathers” of the European Union.



*Prof. jur. Dr. Walter Hallstein (1901-1982)*

In this “hegemony speech,” Hallstein outlines part of the Nazi-Cartel blueprint for a United Europe, and indeed may be viewed as “the best example” of how consistently this European chemicals interest has pursued its interests throughout the decades since the war. [131](#) One may view these detailed principles as a “weaponization of law” and in particular, of all laws having to do with corporations and patents. The speech, laden with phrases such as “a large type of complete planning,” [132](#) and the “creation of a new law” [133](#) is concerned with the construction of a “law of Nature,” [134](#) that is to say a new kind of “scientific law” not dependent on the typical legal methods of analogical reasoning, but one based on observation, and modification, and ownership, that is to say, patents. [135](#) On this basis, law can be extended to the whole “large space economy” (a term with which we shall be preoccupied shortly) through a “general overhaul of entire areas of law.” [136](#)

This was not all, however, as Hallstein had specific proposals for this overhaul of law that included:

- 1) “foundational” or constitutional laws against the rebuilding of political parties in Europe;
- 2) “foundational” or constitutional laws for the security of the unity of the Party and the State, in other words, the complete subordination of all offices and agencies of the State by the Nazi Party;
- 3) “foundational” or constitutional laws for the construction of a New, i.e., European, Reich;
- 4) A “Reich State Officer Holder Law,” regulating the holders of any office at the Reich or “federal” level.

To ensure the implementation of these draconian ideas, Hallstein proposed a series of offices that amounted to the implementation of a “commissar” system reporting ultimately to the *Führer* and bypassing institutions of local and regional government. Note what Hallstein was doing was *not* proposing the abolition of local or regional governments, but rather, *a system ensuring that those governments would remain in compliance with regulations of the Reich. Regulation* was to become normative law, not *legislation*. Thus the Party, wedded to the cartel, was the true leadership of a “*völkisch* State” and the thus it fell to National Socialism to secure the means of “commonality,” [137](#) both in law, and in its practice.

In other words, not only was a European federation under German leadership a Nazi goal, but one of the chief ways to implement it, as laid out in Hallstein’s “hegemony speech,” was to homogenize law on the principle of the *union between political parties and the corporate or cartel interest*, which then in turn implements a commissar system, not abolishing local or regional governments, but *in parallel to them*. Laws as not so much overturned as *regulated* by these “commissars” from the top down. Obviously, in such a system there is little *real* popular or democratic participation, for the normal institutions and mechanisms of government have been reduced to a kind of theatrical agent of a political and cartel party interest. Thus, for Hallstein and the Nazi-Farben legal theorists, yet another “codeword” is created from normal human usage, for phrases or words such as “the mother state” or “the state” or “government” meant precisely the *sovereignty of the Party-cartel coalition or marriage itself*, not the sovereignty of the people nor of a government or state (in the normal sense) representing them. [138](#) “Thus,” Hallstein would state in his Hegemony Speech, “for the Greater German Reich, the legal unity [139](#) is not a happenstance that results from the creation of this realm, but its task.” [140](#)

Hallstein’s vision, when carefully considered, also reveals itself to be a subtle study in the application of political dialectic to accomplish a goal. Indeed, in Hallstein one can perceive *the Hegelian dialectic in its “right wing Fascist form as opposed to its more well-known “left wing” or Marxist application*. But like its Marxist counterpart, the Hallstein version has the same three principle steps of (1) thesis, (2) antithesis, and (3) synthesis. Consider the staged application of these three steps:

- 1) *Nazi Thesis*: create a brutal repressive tyrannical system of a nationalistic base with no widespread popular support outside of Germany;
- 2) *Democratic Antithesis*: create wartime underground opposition and postwar popular social democracies opposed to that regime <sup>141</sup> to give a measure of trans- European opposition, thus creating a rudimentary “European” cultural identity and institutions;
- 3) *European Union Synthesis*: the creation of a European bureaucratic superstate, modeled on Hallstein-Nazi principles, but masked behind the theater of democratic institutions.

While these steps may not be immediately clear when one considers merely this summary of Hallstein’s Hegemony Speech, they do become completely clear once one considers his very prominent postwar activity in aid of the formation of “European institutions.”



*Chancellor Konrad Adenauer and Walter Hallstein at the Signing of the Treaty of Rome, 1957*

Indeed, Hallstein became one of postwar West Germany’s most ardent “Europeanists,” and a consistent advisor and confidant of Germany’s postwar Chancellors, from Adenauer to Brandt. He attended the signing of the Treaty of Rome in 1957, establishing various European institutions including the European Commission, co-signing the instrument with Chancellor Adenauer, and became its first *President* in 1958, a post which he held steadily until 1967. <sup>142</sup> It should be noted, at this juncture, that with



the sealing of the Rome-Berlin Axis in 1938, that Fascist Italy and Nazi Germany established the *Arbeitsgemeinschaft für deutsch-italienische Rechtsbeziehungen*, the Labor Society for German-Italian Legal Coordination, a bureau designed to bring German and Italian law, particularly law dealing with labor relations, corporate law, and patents, into harmonization. [143](#) Thus, it should come as no surprise that one discovers these principles not only being enunciated in Hallstein's 1939 "Hegemony Speech" but that Hallstein himself was intimately involved in these processes, being one of the German signatories to, and representatives on, the European Coal and Steel Community in 1951, [144](#) creating the first European "common market" in coal and steel. As a signatory to the Treaty of Rome in 1957, and as President of the European Commission from 1958-1967, Hallstein was also instrumental in overseeing not only the establishment of Euratom, whose associated organization CERN (*Conseil Européen pour la Recherche Nucléaire*) is well-known, but in steering its implementation during his tenure as European Commission President. [145](#) Nor should it come as any surprise that Hallstein's proposals for a kind of "commissar" system in his 1939 "Hegemony Speech" also found their way into the mechanisms established by the Treaty of Rome with the appearance of European "commissioners."



*Walter Hallstein and Chancellor Willi Brandt*

How did Hallstein manage to become such a prominent "Europeanist" within the German government after the Second World War, and later, a prominent figure in the first European wide institutions, given his Nazi past? Very simple: he concealed his membership in various Nazi organizations, and ensured that his "numerous publications and lectures, as champion of the National Socialist-cartel cause to dominate Europe, were destroyed." [146](#)



*b. Arno Salter*

Dr. Hallstein was not, however, the only Nazi legal theorist working on the problems of a European-wide German-led federation. Indeed, the idea of such a federation was such a central and crucial component of the postwar plans of the Nazis and the Farben cartel, that a “Central Research Institute for National Economic Order and ‘Large Space Economy’”<sup>147</sup> was founded in Dresden to study the issue of postwar European integration.<sup>148</sup> Under the aegis of this institute, jurist and economist Arno Sölter published a book in 1941 whose title says it all: *Das Großraumkartell: ein Instrument der industriellen Marktordnung in einem neuen Europa*, or *The Large-Space Cartel: An Instrument of Industrial Organization of the Market in a New Europe*, a work whose parallels with the modern European Union Rath characterizes as “breathtaking.”<sup>149</sup> For Sölter and his Farben-Nazi masters, the “large space” or *Großraum* meant all of Europe, including European Russia,<sup>150</sup> which, when the book first appeared, it looked like the *Wehrmacht* would be successful in conquering, as Operation Barbarossa, Hitler’s invasion of the Soviet Union, had just begun, and the Red Army was being systematically and operationally liquidated in the field. The “large space” referred to was thus a code word for “Europe from the Atlantic to the Urals,” a concept with which we shall have to be concerned in a subsequent chapter.<sup>151</sup>

It is when one reads Sölter’s book that one discovers the detailed structural forerunners for “what would later become the structure of the European Union.”<sup>152</sup> Sölter’s statements are indeed breathtaking:

*We recall the hierarchy of the ordering of the market: State—Economic union—Cartel, which we have established for the “Large Space Cartel.”* In this context, for the moment we ignore the state’s responsibility in the areas of economic and political “safeguarding” within the “Large Space Cartel”. Instead, we want to focus ourselves more on the detail of the problem of the organization of a European market from the perspective of the cartel and later the problem of economic policy of the state that affect inevitably the principles of market regulation of the entire area of the Large Space Cartel. Directly responsible for the metropolitan area is the “Cartel Economic Group,”

whose market-regulating functions we want to see enclosed in a “Cartel Bureau”.<sup>153</sup>

Sölter goes on to state that the “Cartel Bureau” should have regional offices, all answerable to a Central Cartel Bureau, which is responsible for anti-trust oversight (!) and to ensure that there are no duplications of effort within the “large space.”<sup>154</sup> This central cartel bureau would be “the highest regulatory authority”<sup>155</sup> responsible for establishing financial and economic policy.

Notice that what Sölter is proposing is the expansion of the Farben-Nazi coalition to European-wide scale, for the Cartel Bureau that Sölter has in mind is the Farben office in Berlin, which functioned as the liaison between the cartel headquarters in Frankfurt and the Nazi Reich government in Berlin. This power structure is expressed in a hierarchy of three elements: (1) the State itself (at the lowest level), (2) the economic union or unity (the *Reich* in its sense of “commonwealth,” and finally, hiding behind it all, (3) the cartel itself. That this is the intended ordering of this hierarchy is revealed by the fact that Sölter makes his central cartel bureau the “highest regulatory authority” in a European-wide federation. For Rath, this is exactly mirrored in the structure of the European Union, for the European Commission rules via *regulatory* pronouncements through its “Permanent Directory” of regulatory edicts. Nothing becomes law, notes Rath, unless it is published in this directory.<sup>156</sup> And note again, the people publishing these regulatory edicts *are not popularly elected, but appointed by their governments*. Recalling Sölter’s hierarchy, this means that the Commission is simply the public regulatory face of internationalized corporate interests.<sup>157</sup> In effect, Sölter’s Central Cartel Bureau was the edifice created to accomplish and effect the harmonization and homogenization of law via regulatory edict, thus bypassing national or regional parliamentary assemblies; it was, so to speak, the “weaponization of the doctrine of the corporate person.”

It should come as no surprise, then, that one encounters the doctrine of the corporate person in this “weaponized” form as representing the spiritual power of the cartel-party coalition in Hallstein’s “Hegemony Speech,” where he speaks of the “personhood of the People,” a massive reduction of the population of the nation to one group corporate person.<sup>158</sup> By so

extending the doctrine of corporate personhood to the extent of the entire national population, a tremendous reduction of the individual person is accomplished, and, if one recalls the theological origins of the doctrine, the *legal culpability of the individual person for the actions of the corporate group is likewise assured.*' [159](#)

Europe “from the Atlantic to the Urals” was to be one gigantic cartel and corporate super-state. And, let us again reiterate, this was the consistent war aim of the German political, military, and corporate elite since World War One. The presence of so many influential Nazis, not only in the postwar government of West Germany, but also in the creation and implementation of postwar structures in the European Union, and the consistent parallels of present European Union structures with the ideas of the Nazi-Farben cartel coalition during the Second World War are there for all to see. Thus, in answer to the question of “where is the Nazi International now, and what might it be up to,” one need look no farther than the European Union itself. [160](#)

But in order to reach that goal, one not only had to harmonize and homogenize law, but the currencies of the nations as well, to make possible the creation of one currency. One had to create, in effect, a “currency cartel” capable of the “regulation and ordering” of currency markets to transition to a single currency. It is to *that* aspect of the story we now turn.



*Chancellor Helmut Kohl (1982-1998) At a Christian Democratic Union Party meeting in the early 1980s.*



Chancellorin Angela Merkel

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[1](#) Adam Lebor, *Tower of Basel: The Shadowy World of the Secret Bank that Runs the World* (New York: Public Affairs, 2013), p. 220.

[2](#) Bernard Connolly, *The Rotten Heart of Europe: The Dirty War for Europe's Money* (London: Faber and Faber: 1995), p. 10, emphasis in the original.

[3](#) Hjalmar Schacht, *Confessions of the Old Wizard: The Autobiography of Hjalmar Horace Greeley Schacht* (Cambridge, Massachusetts: Houghton Mifflin Company, 1956), p. 85.

[4](#) Ibid., p. 1.

[5](#) “Peter Oldfield,” *The Alchemy Murder* (New York: Ives Washburn, Publisher, 1929), pp. 179-183, emphases added.

[6](#) For many people this idea is often articulated in conjunction with another, namely, that the “power elites” are under some sort of rule or “moral law” that they *must* disclose their intentions, howsoever covertly, before proceeding with them.

[7](#) Adam Lebor, *The Tower of Basel*, p. 52. Lebor does not indicate who Jacobssen “co-wrote” the two thrillers *with*, but in all likelihood this was probably simply a “ghost writer” who merely put Jacobssen’s observations into readable fiction. Equally possible, however, is that Jacobssen’s ghost

writer was also a censor from the corporate, banking, or political world, ensuring that no significant or damning detail slipped into his text.

[8](#) Adam Lebor, *The Tower of Basel*, p. 52.

[9](#) Nor are the structures of the European Union a “state-nation,” a term which will be encountered much later in this chapter when considering the ways in which France interpreted pre-EU monetary structures in general and the European exchange rate mechanism (EMR) in particular.

[10](#) Hjalmar Schacht notes one effect of German law on the resulting hyper-inflation: “Agriculture had so far derived considerable benefit from the inflation in so far as the latter had enabled farmers to repay their debts with the debased currency, because *the German law supports the principle that mark equals mark. This meant that debts which had been incurred in gold marks could be paid by means of equal nominal amounts in debased paper marks.* In addition, the agricultural community used their paper marks to purchase as quickly as possible all kinds of useful machinery and furniture—and many useless things as well.” (Hjalmar Schacht, *Confessions of the Old Wizard*, p. 163, emphasis added)

[11](#) Hjalmar Schacht, *Confessions of the Old Wizard*, p. 169.

[12](#) *Ibid.*, p. 163.

[13](#) *Ibid.*

[14](#) Hjalmar Schacht, *Confessions of the Old Wizard*, p. 164.

[15](#) *Ibid.*

[16](#) Though in this case not being used, at least overtly, to back currency.

[17](#) See my *Covert Wars and Breakaway Civilizations*, pp. 36-43.

[18](#) Hjalmar Schacht, *Confessions of the Old Wizard*, p. 181, emphasis added.

[19](#) Hjalmar Schacht, *Confessions of the Old Wizard*, p. 182.

[20](#) There may be a possible connection here to the later Nazi counterfeiting of pound sterling notes during the SS’s *Operation Bernhard*, though as of this writing, I have found no direct evidence of such a connection.

[21](#) Schacht, *op. cit.*, pp. 182-183.

[22](#) Hjalmar Schacht, *Confessions of the Old Wizard*, p. 184.

[23](#) Ibid., pp. 186-187. Indeed, Norman not only endorsed it, but lined up enough backing in Britain that Schacht could count not on just 200,000,000 *Reichsmarks* but half a billion as working capital. (q.v. p. 186)

[24](#) Ibid., p. 191. Schacht also notes that because of the stability of the *Reichsmark* it became unnecessary for the *Goldkontbank* to issue its banknotes, though he does state that such banknotes, denominated in pounds sterling, were printed but never put into circulation. (see p. 191)

[25](#) Hjalmar Schacht, *Confessions of the Old Wizard*, pp. 198-199, emphasis added.

[26](#) Ibid., p. 200.

[27](#) Ibid. Schacht goes out of his way to indicate that the relations between these Allied members and the German members of the *Reichsbank's* board were always cordial.

[28](#) Ibid., p. 217.

[29](#) Ibid.

[30](#) Hjalmar Schacht, *Confessions of the Old Wizard*, p. 218.

[31](#) Anthony Sutton, *Wall Street and the Rise of Hitler* (Seal Beach, California: '76 Press, 1976), p. 24.

[32](#) Hjalmar Schacht, *Confessions of the Old Wizard*, p. 219.

[33](#) Ibid., p. 210.

[34](#) Ibid., p. 231, emphasis added.

[35](#) Hjalmar Schacht, *Confessions of the Old Wizard*, pp. 231-232, all emphases added.

[36](#) Anthony Sutton, *Wall Street and the Rise of Hitler*, p. 25.

[37](#) Ibid., p. 25, see also my *The Nazi International*, pp. .

[38](#) Schacht, op. cit., p. 233: Schacht notes that the chief British representative to these planning meetings was Sir Charles Addis “who had spent many years as head of the Hong Kong and Shanghai Banking Corporation,” a bank with strong connections to the British drug trade in China during the nineteenth century. This opens the speculative possibility that at least some of the “international settlements” being contemplated for the BIS involved drug money.

[39](#) Adam Lebor, *Tower of Basel*, pp. 19-21.

[40](#) Ibid., p. 20.

[41](#) Ibid., p. xiv.

[42](#) Ibid., p. xv.

[43](#) Adam Lebor, *Tower of Basel*, p. xv.

[44](#) Ibid., p. 21, emphasis added.

[45](#) Ibid.

[46](#) Lebor implies this clear possibility on p. 41, though comes just short of stating it.

[47](#) Adam Lebor, *Tower of Basel*, p. 13.

[48](#) One wonders in fact just how much gold may have been covertly stashed in the accounts (or vaults) of the bank. The bank's "sovereign status" plus the strange connection of Sir Charles Addis on the planning committee for the bank, and his association to the Hong Kong and Shanghai bank, makes the bank's ability to launder drug and other criminal money a possibility.

[49](#) Lebor, op. cit., pp. 67-68, see also pp. 22, 39.

[50](#) Adam Lebor, *Tower of Basel*, p. 60.

[51](#) Ibid.

[52](#) Ibid., 61.

[53](#) Hjalmar Schacht, *Confessions of the Old Wizard*, pp. 240-241.

[54](#) Hjalmar Schacht, *Confessions of the Old Wizard*, pp. 253-255, especially 254.

[55](#) Ibid., p. 254.

[56](#) Adam Lebor, *Tower of Basel*, p. 29. It could, of course, be easily argued that this was not merely a sentimental or rhetorical expression or action on the part of the Allied and Associated Powers, for by the early 1930s, the radical parties of the left and right inside Germany, Communism and Nazism, were indeed in their own respective ideological ways challenging the whole structure of western political and financial order. The Nazis, of course, used the issue of the Versailles Treaty with its reparations, war guilt, and disarmament clauses as the symbol of this system. By thus demolishing one of the most onerous provisions of the Treaty the Allied powers may have been hoping to rob the radical parties inside of Germany of their political platforms.



[57](#) Ibid., p. 42.

[58](#) Adam Lebor, *Tower of Basel*, p. 27.

[59](#) Ibid., p. 28.

[60](#) Lebor himself makes this very same observation: “The international stage, banking networks, and legitimacy the BIS provided, first to the Reichsbank and then to its successor banks, *has helped ensure the continuity of immensely powerful financial and economic interests from the Nazi era to the present day.*” (Adam Lebor, *Tower of Basel*, p. xix, emphasis added)

[61](#) Adam Lebor, op. cit., p. 28.

[62](#) Ibid., pp. 34, 35.

[63](#) Peter Levenda, *The Hitler Legacy: The Nazi Cult in Diaspora: How it was Organized, How it was Funded, and Why it Remains a Threat to Global Security in the Age of Terrorism* (Lake Worth, Florida: Ibis Press, 2014), p. 127. Lebor also notes that the American firm of ITT (International Telephone and Telegraph) was in partnership with von Schröder. (Lebor, op. cit., p. 109). ITT would, of course, be subsequently implicated in the overthrow of Salvador Allende in Chile, as part of the CIA coup against his government that was aided on the ground by the Nazi “colony” near Parí, Chile, *Cologna Dignidad* and right-wing elements within the Chilean military led by Augustin Pinochet.

[64](#) Adam Lebor, op. cit., p. 50.

[65](#) Ibid., p. 82. Lebor also notes that the *Reichsbank*’s gold accounts, much of it resulting from the plunder of the gold reserves of conquered nations, were handled by Emil Puhl, “confidant of Thomas McKittrick and lunch partner of Per Jacobssen.” (p. 85)

[66](#) Adam Lebor, *Tower of Basel*, p. 81.

[67](#) Ibid., p. 120.

[68](#) Adam Lebor, *Tower of Basel*, p. 95, emphasis added.

[69](#) Ibid.

[70](#) Ibid.

[71](#) Ibid., pp. 20-21.

[72](#) Ibid., p. 96.

[73](#) Adam Lebor, *Tower of Basel*, pp. 95-96.

[74](#) Lebor indeed mentions the by-now known fact that White did indeed pass on sensitive information to Moscow (p. 142), but prefers the line of contemporary apologists that White was simply a “Roosevelt internationalist” rather than a Communist agent per se.

[75](#) Ibid., p. 121.

[76](#) On this point, White was absolutely correct, for McKittrick, an American, traveled throughout Axis Europe *and* the United States during the war under the diplomatic immunity granted him as a member of the management of the BIS, according to the treaty and charter that established the Bank.

[77](#) Adam Lebor, op. cit., p. 123.

[78](#) Adam Lebor, *Tower of Basel*, pp. 137-138.

[79](#) Ibid., emphasis added.

[80](#) Ibid., p. 140.

[81](#) Adam Lebor, *Tower of Basel*, p. 165.

[82](#) Ibid., pp. 166-167.

[83](#) Ibid., pp. 171-172.

[84](#) Adam Lebor, *Tower of Basel*, p. xxi.

[85](#) Ibid., p. 188.

[86](#) Peter Levenda, *The Hitler Legacy*, p. 298, emphasis in the original. Levenda also notes that this information “was obtained from a declassified US government document file dated May 15, 1945, in a box labeled ‘Vatican City (Correspondence File).’ One can only imagine what the relationship was between this gold transfer to the Bank of Brazil and Vatican City.” (p. 298)

[87](#) Peter Levenda, *The Hitler Legacy*, p. 169.

[88](#) Ibid., p. 170, emphasis added.

[89](#) Peter Levenda, *The Hitler Legacy*, p. 193.

[90](#) See my *The Nazi International*, pp. .

[91](#) Levenda, op. cit., p. 193, see also my *Nazi International*, pp. .

[92](#) Levenda, op. cit., p. 195.

[93](#) Peter Levenda, *The Hitler Legacy*, pp. 208-209.

[94](#) Ibid., p. 211.

[95](#) Ibid., p. 209. In this context, perhaps it is also significant that Germany has become a founding member of China's AIIB bank, while Japan, bracing under American pressure, has not, as of this date, joined it.

[96](#) Peter Levenda, *The Hitler Legacy*, p. 210, citing William Stevenson, *The Bormann Brotherhood* (New York: Bantam, 1974), p. 174.

[97](#) For this story and its relationship here, see my *Covert Wars and Breakaway Civilizations*, pp. 71-166.

[98](#) Levenda, op. cit., p. 271.

[99](#) Peter Levenda, *The Hitler Legacy*, p. 271.

[100](#) Ibid.

[101](#) Ibid., p. 272.

[102](#) Ibid. pp. 280-281.

[103](#) Ibid., p. 275. Levenda also notes the theories that the 9-11 operation was, at least in part, and at one level of the conspiracy, an operation to destroy financial records that were allegedly tied to this vast secret system of finance, a theory that he doubts.

[104](#) See my *LBJ and the Conspiracy to Kill Kennedy: A Coalescence of Interests* (Kempton, Illinois: 2010), pp. 152-172.

[105](#) Peter Levenda, *The Hitler Legacy*, p. 285, emphasis added.

[106](#) See my *Covert Wars and Breakaway Civilizations*, pp. 149-153.

[107](#) Peter Levenda, *The Hitler Legacy*, p. 287.

[108](#) Peter Levenda, *The Hitler Legacy*, p. 289.

[109](#) Ibid., p. 291, all emphases added.

[110](#) See my *Covert Wars and Breakaway Civilizations*, pp. 160-166, and my first presentation at the Secret Space Conference in San Mateo, California, in June of 2014, [https://www.youtube.com/watch?v=1svGIBKaE\\_0](https://www.youtube.com/watch?v=1svGIBKaE_0), 1:16:20.

[111](#) Peter Levenda, *The Hitler Legacy*, pp. 293-294.

[112](#) Ibid., p. 273.

[113](#) Peter Levenda, *The Hitler Legacy*, p. 273.

[114](#) Ibid., p. 185.

[115](#) Ibid., p. 186.

[116](#) See my *LBJ and the Conspiracy to Kill Kennedy*, pp. 48-53, 152-172.

[117](#) Adam Lebor, *Tower of Basel*, p. 220

[118](#) Adam Lebor, *Tower of Basel*, p. 221.

[119](#) *Ibid.*, pp. 221-222.

[120](#) Adam Lebor, *Tower of Basel*, p. 222, emphasis added.

[121](#) Paul Anthony Taylor, Aleksandra Niedzwiecki, Matthias Rath, and August Kowalczyk, *Die Nazi-Wurzeln der "Brüsseler EU": Was Sie schon immer über die "Brüsseler EU" wissen wollten, aber Ihnen niemand zu sagen wagt!* (Heerlen, The Netherlands: Dr. Rath Health Foundation, 2011), p. 11. Rath and his co-authors also note that the Nuremberg War Crimes Tribunals characterized the relationship between the Farben cartel, its constituent companies, and the Nazi Party as one of "coalition" and "marriage." (q.v. p. 102)

[122](#) See also Rath, et al, p. 64.

[123](#) *Ibid.*, p. 58.

[124](#) Rath, et al., *Die Nazi-Wurzeln der "Brüsseler EU"*, p. 13.

[125](#) *Ibid.*, p. 78.

[126](#) *Ibid.*, p. 40.

[127](#) *Ibid.*, p. 52

[128](#) *Ibid.*, p. 40, q.v. also p. 36.

[129](#) Rath et al., *Die Nazi-Wurzeln der "Brüsseler EU"*, p. 104, "die juristischen Sturmtruppen."

[130](#) *Ibid.*, pp. 100-101. Rath and his co-authors reproduce the original article on this speech that ran in the *Niederdeutscher Beobachter* on January 24, 1939, on page 100.

[131](#) Rath et al., *Die Nazi-Wurzeln der "Brüsseler EU"*, p. 108. "Hallstein's 'Eroberungsrede' is das beste Beispiel dafür, wie das Öl- und Pharmakartell seine politischen Interessenvertreter über Jahrzehnte austauscht, jedoch seine langfristigen wirtschaftlichen und politischen Ziele weiter verfolgt."

[132](#) *Ibid.*, p. 112.

[133](#) *Ibid.*, p. 114.

[134](#) Ibid., p. 113.

[135](#) Ibid., pp. 114, 118. It is worth noting that *this is the first appearance in modern times* of the idea of using a harmonization and homogenization of various nations' patent laws as a means of extending cartel-like influence over a large regional market for the purposes of political coercion and unification. The tactic is well known to those following its application in the GMO issue, and has clear implications for the patenting of various modifications to the human genome. See Joseph P. Farrell and Scott D. deHart, *Transhumanism: A Grimoire of Alchemical Agendas*, pp. 112-132, and Joseph P. Farrell, *Genes, Giants, Monsters, and Men*, pp. 125-158. It should also be noted that another cartel-Nazi jurist, Carl Friedrich Ophüls, not only worked in Frankfurt-am-Main as an important patent lawyer, but subsequently was Hallstein's "man in Brussels" on the European Commission. (Q.v. pp. 48-49).

[136](#) Ibid., p. 116, "...eine Generalüberholung ganzer Rechtsgebiete."

[137](#) Rath et al, *Die Nazi-Wurzeln der "Brüsseler EU"*, p. 128.

[138](#) Rath et al, *Die Nazi-Wurzeln der "Brüsseler EU"*, p. 132: Hallstein speaks of the "staatlichen Hoheit des Mutterstaates," literally, the "stately highness of the mother country". But in the technical and legal terminology of the day, "Hoheit" (highness) meant the complete sovereignty, in the legal sense, of an entity to do or effect arrangements for its own security and benefit. Thus, the Nazi regime would speak of the need to restore the *Wehrhoheit* ("defense highness") of Germany, i.e., to overturn the strictures of Versailles, and undertake whatever defense and military measures it deemed necessary for the adequate self-defense of Germany.

[139](#) "legal unity," *Rechtseinheit*, which in this context could also have been translated as "entity of law" or "legal entity."

[140](#) Rath et al. op. cit., p. 134: "So ist es also auch für das Großdeutsche Reich die rechtseinheit nicht eine Tatsache, die sich aus der Schaffung dieses Reiches ohne weiteres ergibt, sondern eine Aufgabe." The "realm" that is to be created is the future European Realm or Reich under German leadership, for note that Hallstein *distinguishes this realm* from the already-existing Third Reich.

[141](#) Recall that the Madrid Circular explicitly stated that the members of the "bomb plot" against Hitler were a 'controlled and contrived' opposition,

for the purpose of “sanctifying” their postwar position as opponents of Hitler (and hence, of Hitler’s “marriage partner,” the Farben cartel).

[142](#) Rath et al., *Die Nazi-Wurzeln der “Brüsseler EU”*, p. 80.

[143](#) Ibid., p. 88.

[144](#) Ibid., p. 119.

[145](#) The implications of this Nazi-cartel jurist’s shadowy presence in the background of CERN will be pondered more completely in chapter seven. For now, we merely draw the reader’s attention to it.

[146](#) Rath et al., *Die Nazi-Wurzeln der “Brüsseler EU”*, p. 46.

[147](#) Ibid., p. 162, *Zentralforschungsinstitut für nationale Wirtschaftsordnung und Großraumwirtschaft*.

[148](#) Ibid., p. 165. Rath states that “This institute was one of the official economic planning bureaus for postwar Europe of the Nazi-Farben coalition.”

[149](#) Rath et al., *Die Nazi-Wurzeln der “Brüsseler EU”*, p. 162.

[150](#) Ibid., p. 164.

[151](#) One is tempted to speculate further, given the Nazi obsession with researching exotic weapons and propulsion platforms, that the term *Großraum* might also be code for *Weltraum* or “outer space,” and thus, on this speculative reading, the Nazi-Farben plan is a plan whose basic concepts were intended to be implanted not only on planet, but off planet, in the commercialization and cartelization of space.

[152](#) Ibid., p. 165.

[153](#) Ibid., pp. 165-166, emphasis added, my translation from the German. (“Wir erinnern an die Hierarchie der Marktordnung: Staat—Wirtschaftseinheit—Kartell, die wir für das Großraumkartell etabliert haben. In diesem Zusammenhang lassen wir die Staatsverantwortung in den Bereichen der Wirtschafts- und Währungspolitik innerhalb des Großraumkartells zunächst außer Acht. Stattdessen wollen wir uns detaillierter dem Problem der Organisation eines europäischen Marktes aus Sicht des Kartells und später dem Problem der Wirtschaftspolitik des Staates widmen, welche unweigerlich die Prinzipien der Marktregulierung des gesamten Bereiches des Großraumkartells betreffen. Direkt verantwortlich für das Großraumkartell ist die Wirtschaftsgruppe, deren

marktregulierende Funktionen wir in einem Kartellbüro zusammengeführt sehen wollen.

[154](#) Rath et al., *Die Nazi-Wurzeln der "Brüsseler EU"*, p. 166.

[155](#) Ibid., p. 167, "die höchste Regulierungsbehörde".

[156](#) Ibid., p. 171.

[157](#) One might get some idea of the Permanent Directory or Journal by a look at a similar "practice" within a large American corporation: AT&T or "Ma Bell". During the corporation's heyday as a communications monopoly, it published what employees of the company called "the Practice," a massive volume of all manner of corporate regulations and procedures of what could, and could not be done, dictating even how much "overhang" on an employee's desk were allowed. The higher the supervisor or manager, the more overhang was allowed.

[158](#) Rath et al., *Die Nazi-Wurzeln der "Brüsseler EU"*, p. 136, "die Persönlichkeit des Volkes."

[159](#) For a brief discussion of this doctrine, see my *Financial Vipers of Venice*, pp. 145-153.

[160](#) Rath and his co-authors point out the heavy connections of European leaders, particularly recent French and German leaders, to the constituent and surviving elements of the Farben Cartel, by noting that former Chancellor Helmut Kohl began his political career as a lobbyist for the pharmaceutical and chemical industry, particularly for BASF. Kohl in turn groomed Angela Merkel to succeed him as leader of the German Christian Democrat Union Party (CDU). France's Sarkozy was heavily financed by Sanofi, successor company to Hoechst. (Q.v. Rath et al. *Die Nazi-Wurzeln der "Brüsseler EU"*, pp. 244, 248, 256).



EUROPE FROM THE ATLANTIC TO THE URALS : THE CURRENCY CARTEL  
AND SECRET TREATIES

*“...the main subjects aired at the Berlin brainstorming sessions in 1941 presided over by Dr. Funk, have formed the framework for the EU Collective’s Maastricht Treaty and its derivatives. Particularly striking are the Nazis’ published blueprints for a **European Economic Community, the harmonisation of European rates of exchange, a European Currency System....***

*” Christopher Storey<sup>[1](#)</sup>*

*“In that conception, economics—and monetary economics in particular—is the instrument of political hegemony, whether for a state or for a caste; currencies are an expression of state or caste power, and the wider the currency’s domain, the greater the power of those who control it.” Bernard Connolly<sup>[2](#)</sup>*

*“The problem of money is thus not even the **what** nor the **how much**, but the **who**, i.e., the who behind its issuance.’<sup>[3](#)</sup>*

**N**AZI PLANS FOR A UNITED EUROPEAN “FEDERATION” were quite detailed and specific, and one essential key to their scheme was the creation of what—for want of a better designation—may be called a “*Reichsmark Zone*,” a zone wherein the dominant currency would have been the *Reichsmark*, with other currencies “coupled” to it via various exchange mechanisms and convertibility arrangements. In effect, the schemes were really attempting to make the *Reichsmark* the reserve currency of a united Europe, and thence to expand its role in that capacity to the rest of the world. It should come as no surprise that the resemblance of these plans to the modern European Union, and the transitional phases leading to it, were exposed by two Britons, both of whom lived through the Thatcher era, and both of whom saw the famous “Iron Lady” British premier scuttled by pro-European union forces within her own Conservative

Party. These two men were as different as could be, one, the late Mr. Christopher Storey, was a typical British middle class individual, alarmed at the erosions to standard liberties that had become a hard won feature of the British constitution and common law through centuries of elaboration. The other, Bernard Connolly, was a professional “Eurocrat” who personally saw and dealt with the mechanisms of the “Eurocracy” on a day-to-day basis. In the end, Connolly also saw the dangers to the British constitution.

### *A. The Nazi Plan for a Reichsmark-Coupled Exchange Rate Zone*

#### *1. The 1942 Funk-Farben-Reichsbank Study*

By 1942, Dr. Walter Funk, Schacht’s successor at the *Reichsbank* and Nazi Germany’s Economics Minister (*Reichswirtschaftsminister*) sponsored the publication of the Nazi regime’s detailed plans for a postwar European Economic Union in which the currency aspects of the plans were exposed for the first time. This book, *Europäische Wirtschaftsgemeinschaft (European Economic Community)* was a compendium of papers by leading industrialists, economists, and academics and, according to Storey, outlines a plan to which the contemporary European Union conforms.<sup>4</sup>

Reading the papers’ titles and the book’s analytical table of contents reveals that the contributors to Funk’s volume are like a Who’s Who of the Third Reich’s industrial and academic establishment, and the papers themselves indicate just how detailed the Nazi-Farben coalition’s plans were:

**Professor Dr. Heinrich Hunke**, President of the Association of Berlin Business People and Industrialists and of the Institute of the German Economy:

#### **Introduction**

- Economic Practice
- Problems Facing the Continental European Economic Community (*kontinentaleuropäischen Wirtschaftsgemeinschaft*)

**Walther Funk**, Reich Economy Minister and President of the Reichsbank:

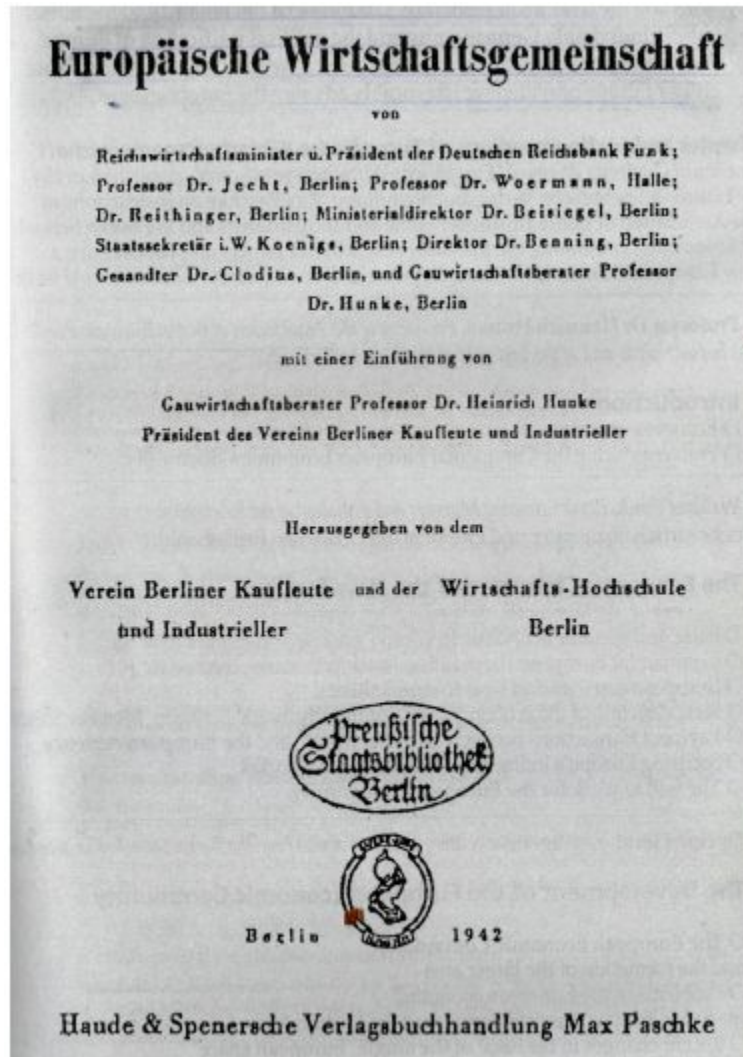
## **The Economic Character of the New Europe**

- False and genuine economic freedom
- Continental European cooperation
- European capacity and how to supplement
- State direction of the economy and Community ‘work’ between ‘Member States’
- Payment transactions between ‘Members States’, and *the European Currency*.
- Securing Europe’s living space and economic market
- The will to work for the European Community

**Dr. Horst Jecht**, Berlin School of Economics<sup>5</sup>

## **The Development of the European Economic Community**

- The European Economic Community and the formation of the larger area
- Problems of the European economic market in the late classical period and the Middle Ages
- Recent changes in the issue of the single ‘European Space’
- Creation of states and independent state economies
- Expansion overseas and the impact of it on Europe
- The separation of England from the Continent and the creation of the ‘free world economy’
- The economic reformation of Europe: a task which must be address *now*
- The collapse of the former world economy
- Objectives and methodology of the European Economic Community



*Frontispiece of the 1942. Funk-Farben-Reichsbank European Union Study*

**Dr. Emil Woermann**, Professor, University of Halle

### **The European Agricultural Economic Order**

- The development of farming business methods and the fabric of European foodstuffs economies
- The growth of the global economic division of labour in the agricultural sector
- Rising agricultural output in Germany and Italy
- The supply situation under the influence of economic strangulation and transformation
- Consequences in terms of production policy

- Prospects for increasing European production of foodstuffs

**Dr. Anton Reithinger**, I.G. Farben, Belin

### **The European Industrial Economy**

- The development of industry in the 19<sup>th</sup> century
- Stages in developing a technological economy
- Effects on social policy
- Europe's loss of industrial domination during the First World War
- The transition to state direction and planning
- The New Europe and its common aspects
- Differences in regional areas
- Review of the relative industrial strengths of the warring power groups

**Dr Bernhard Benning**, Director of the *Reichs-Kredit-gesellschaft, A.G., Berlin*

### **European Currency Issues**

- The two aspects of currency
- Domestic economic problems of European currencies
- Foreign currency management and reciprocal billing
- Extension of multilateral billing
- *The problem of clearing balances*
- *Harmonisation of European rates of exchange*
- *The future form of the European Currency System*
- *Europe's future currency relations with the other key areas of the world*
- What about gold?
- *The European Currency Bloc*

**Dr Philipp Beisiegel**, Director of the Reich Ministry of Labour, author of works on the direction of labour

## **Employment in Europe**

- Density of population and the numbers and structure of people in employment
- People—Europe's wealth
- Exchange of workers on the basis of agreements between Member States
- Principles of worker exchange
- Harmonisation of organisation of employment
- Use of contractors and shifting of orders

**Gustav Koenigs**, State Secretary

## **European Traffic Questions**

- The *Magna Carta* of European internal marine traffic
- Motorways and the European traffic community
- European Community work in the shipping sector
- European Community work in the air transportation sector

**Dr Carl Clodius**, Manager, Foreign Trade Centre, Berlin

## **European Trading and Economic Agreements**

- The old trading policy
- German economic and trade policy since 1933
- Changes in trading policy brought about by the War
- The transformation of the law of supply and demand
- The question of European employment
- The traffic problem
- Effects of the English blockade on Europe
- Principles of European cooperation
- The European Regional Principle<sup>6</sup>
- The economic independence of Europe
- Europe and the world economy

- Internal requirements for the European Economic Community
- Methods of European cooperation

**Professor Dr Heinrich Hunke**, President of the Association of Berlin Business People and Industrialists, and of The Institute of the German Economy

**The Basic Question: Europe—A Geographical Term or a Political Reality?**

- Transformation of doctrine and thinking
- The starting point for setting tasks for Europe
- The character of the world economy
- The political weakness of the European Continent as a prerequisite for British world domination
- The concept of the modern national economy as monopolized by British opinion
- Setting up the European Economic Community<sup>7</sup>

*2. Some Parallels between the Funk-Farben-Reichsbank Study and Contemporary European Union Structures and Policy*

In his presentation of the above translation of the Funk-Farben-Reichsbank study of European Economic Community issues, Storey makes frequent parenthetical comments pointing out the parallels between these policy- and institutional structure-recommendations of the Nazis, and what has actually obtained in the European Union. These parallels may be summarized and presented in the form of a table:



<i>1942 Author</i>	<i>Paper Title</i>	<i>Contemporary European Union Policy or Structure Parallel</i>
Dr Horst Jecht	The Development of the European Economic Community	"Large Space Economy": the European Community Itself
Dr. Emil Wormann	The European Agricultural Economic Order	The EU's "Common Agricultural Policy"
Dr Anton Rethinger	The European Industrial Economy	The EU "industrial policy" and regulation
Dr Bernhard Benning	European Currency Issues	(1) "Harmonization of European rates of exchange" = The Exchange Rate Mechanism; (2) European Currency Bloc and central "Bank of European Settlements" = Exchange Rate Mechanism, and subsequently, the euro and the European Central Bank
Dr Philipp Beisigel	Employment in Europe	EU common labor policy and regulations
Gustav Koenigs	European Traffic Questions	Trans-European Networks and population movements
Dr Carl Clodius	European Trading and Economic Agreements	The creation of the European "common market" emerging from the European Coal and Steel Community
<i>Prof. Dr. Heinrich Hunke</i>	<i>The Basic Question: Europe—a Geographical term or Political Reality?</i>	<i>"Transformation of doctrine and thinking" = development of the appropriate "collectivist" or "Euro-centric" mind<sup>8</sup></i>

For our purposes, the paper and proposals of Dr. Bernhard Benning are the focus of attention, for Benning addresses the specific issue of currency within the Nazi schemes for a unified Europe.

Recall, for a moment, what those proposals are, as indicated by the analytical table of contents' summary in the *Funk-Farben-Reichsbank* book were:

- The two aspects of currency
- Domestic economic problems of European currencies
- Foreign currency management and reciprocal billing
- Extension of multilateral billing
- ***The problem of clearing balances***

- *Harmonization of European rates of exchange*
- *The future form of the European Currency System*
- *Europe's future currency relations with the other key areas of the world*
- What about gold?
- *The European Currency Bloc*

Clearly, Benning and his sponsors have in mind a “European Currency bloc” that is organized into a kind of “*Reichsmark Zone*” wherein the *Reichsmark* and the German economy which it represented functioned as a peg or benchmark for the “harmonization of European rates of exchange.” In other words, Benning, Funk, Farben, Nazi and Associates have in mind the manipulation of currency exchange rates, pegged to the *Reichsmark*, and this will require the “extension of multilateral billing” which would create “the problem of clearing balances,” requiring a new clearing system in Europe, requiring a new “Bank of European Settlements,” a kind of vastly expanded BIS functioning as the central bank for Europe.

Indeed, the parallels between this new European Central Bank and the Bank of International Settlements is all too palpable. Storey observes:

The bank, to be based in Vienna, would be owned by individual governments and central banks, which would pay in share capital in proportion to their existing pre-war financial obligations. All payments between member countries would be made through Europa Bank, *which would also have the ability to grant Reichsmarks credits to members to back export activity.* The bank would have the power to levy minimum reserves from central banks “to control expansion of credit by member states.” This, of course, was an early blueprint of the collective monetary and currency arrangements which have been installed and operative since 1998-1999, with spectacular consequences in that, from the first day following its launch, the EU’s collective currency proceeded to depreciate and to remain profoundly weak against the US dollar.<sup>9</sup>

The only significantly *different* feature between this “Europa Bank” and the Bank of International Settlements is that quite clearly, German dominance

of the entity is written into the institution by dint of its ability to grant credits in the German currency itself, at that time, the *Reichsmark*. <sup>10</sup> Indeed, if one looks closely at what is being proposed, what is being proposed is a *tender* of German currency for the national currencies of “the member states” in order to support the “large space economy’s” exports.

Such plans so closely resemble the Exchange Rate Mechanism—the “glidepath to monetary union” <sup>11</sup>—that was established in the 1970s, that Storey himself draws attention to the point by pointing out that fellow Briton Bernard Connolly, who had worked closely in the European agencies and had the opportunity to view the Exchange Rate Mechanism at work closely, observed that while individual countries could maintain their own currencies within the Mechanism, they agreed to “permanently fixed exchange rates” against the German currency, the *Reichsmark* <sup>12</sup> under the Funk-Farben-Reichsbank plan, and the *Deutschmark* under the agreement that actually emerged, the Exchange Rate Mechanism in the 1970s. Connolly had this to say about the parallels between the Nazi plans of the Funk-Faben-Reichsbank book and what actually emerged:

Most interesting of all, for our purposes, was the paper on the future ‘European Currency System’. The paper, an extension of a July 1940 analysis by the Reichs Economics Ministry, was given by Dr Bernhard Benning, Director of the Reichs-Kredit-Gesellschaft. The key features of the Reich Economics Ministry/Benning blueprint were that the Reichsmark would be the leading currency in a German ‘economic area’ and, with the dollar, one of the world’s two reserve currencies. ‘Within the German currency bloc’, fixed exchange rates would be introduced to ‘ease the way later to a currency and customs union’. There would be a Bank of Europe, but ‘For political reasons it could be undesirable to damage the self-esteem of member states by eliminating their currencies’. Thus, initially at least, individual countries would maintain their own currencies, but would agree to permanently fixed exchange rates against the Reichsmark. In other words, there would be a Reichsmarkzone in the German ‘*Grosswirtschaftsraum*’. The members of this R-mark zone would be Germany itself (including, of course, Austria and Bohemia and Moravia), the Netherlands, Belgium (and thus presumable Luxembourg, which had been in monetary union with Belgium since 1926), Denmark, Norway, Sweden, Slovakia,

Romania, Bulgaria and Hungary. Italy and Japan, the other two Axis powers, would also each lead a ‘*Grosswirtschaftsraum*’ (including Spain, Greece and Turkey in the Italian case). Russia (in accordance with the Ribbentop-Molotov pact) would dominate the economic affairs of Finland and the Baltic states. Britain would have an undefined ‘*Grosswirtschaftsraum*’ (presumably involving its colonies) and the USA would dominate the whole of the Americas. The ‘missing’ country, interestingly, was France, which was neither included in the German currency area nor accorded a ‘*Grosswirtschaftsraum*’ of its own. [13](#)

However, before we can examine the Exchange Rate Mechanism and its actual real functioning as a “glidepath to monetary union” and the creation of a common currency, the euro, itself, we must first appreciate what both the wartime plan, and the actual Exchange Rate Mechanism really are, for they constitute nothing less than a *tender* in a certain sense of the German currency for the national currencies of Europe, which currencies are pegged to the German and hence to the German economy and financial and political leadership.

As one can imagine, there was *one* country on the continent that was not about to be dominated financially, economically, or politically, and that saw the Exchange Rate Mechanism as a means of asserting its dominance over the continent. Thus, the history of the Exchange Rate Mechanism becomes a microcosm for a very old struggle, and we must now examine it closely, for that country was precisely the one excluded in the Benning paper:

...France.

## *B. The Currency Cartel: The Tower of Basel Moment of History*

### *1. Can't You Two Just Get Along?*

Initially, the Exchange Rate Mechanism came about as a currency-exchange rate peg of smaller European nations’ currencies to the *Deutschmark*, since their economies were closely tied to their large neighbor. This was the case for the Netherlands and its guilder, for Luxembourg and Belgium and Denmark and their francs and kroner. The idea, in this form, was perhaps sound as far as it went, for these currencies

were supposed to fluctuate only within certain bands or margins above or below the D-mark, and this fluctuation was reflective of their economies being so closely tied to Germany's:

The key element in this doomsday machine was the key element of the (Exchange Rate Mechanism) itself: the markets' absolute conviction that the (Deutschmark) would never be formally devalued within the system. It was from this conviction that everything flowed: the DM's role as anchor of the system, the impossibility for nominal rates on other currencies in the system to be substantially lower than the German rates and, ultimately, the inability of the system to survive speculative attack...<sup>14</sup>

When those pre-determined bottoms or ceilings in exchange rates began to be approached, it was understood that the German *Bundesbank* would step in and take the appropriate action to maintain the margins of the exchange rate peg, either by buying or selling those currencies, adjusting its prime rate, and so on.

It was when the rest of Western Europe's large economies, Spain, Italy, and most especially, France, were integrated into the Exchange Rate Mechanism that things began to change, and the Mechanism became a geopolitical tool, or, as Connolly observed, a mechanism of monetary warfare disguised as cooperation<sup>15</sup> and diplomacy.<sup>16</sup> That disguised monetary warfare came in the form of a protracted struggle between Europe's two largest powers for domination of the Exchange Rate Mechanism, and hence, of whatever "common currency" came out of it.

Indeed, as Connolly observed, the Exchange Rate Mechanism is not only the key to understanding the current European Union and "Eurozone," it was largely the creation of Germany and France.<sup>17</sup> As such, its history was largely the history of three major battles between France and Germany, or rather, between France and the *Bundesbank*,<sup>18</sup> or to put it somewhat differently, the Exchange Rate Mechanism was simply a revival of the traditional Franco-German struggle for the domination of the continent using economic, rather than military, means: "It is the battle for control of the European superstate, in which French technocrats confront German federalists, *both sides claiming to fight under the banner of Charlemagne.*"

[19](#) Indeed, shortly after the inauguration of the Mechanism, then French President d'Estang and German Chancellor Helmut Schmidt repeatedly emphasized the symbolism, and “the two leaders paid a special visit to the throne of Charlemagne and a special service was held in the Cathedral” while d'Estang remarked that “the spirit of Charlemagne brooded over us.” [20](#)

The invocation by both sides of the symbolism of Charlemagne, of *Karl der Grosse*, is not accidental, for France and Germany, as the dominant European powers, intend the European superstate to be the reanimation of the empire of Charlemagne, which encompassed both modern countries. It is a “Franco-German axis,” [21](#) and the fact that the meetings of the European Community’s council of ministers occurred in “the Charlemagne building in Brussels” was thus “no coincidence.” [22](#)

There is one final factor that must be reckoned with before the Franco-German conflict within the Exchange Rate Mechanism can be fully appreciated. Connolly points out that the *Bundesbank* was created after World War Two with a far greater measure of independence from the West German government than the central banks of other European powers, particularly France. This was, in part, due to the pre-war and wartime experience of the close coordination of the *Reichsbank* and the Nazi government, a coordination which the Allies wanted to prevent from re-occurring. Thus, the battle lines were drawn between the *governments* of France and Germany on the one hand, which saw the Exchange Rate Mechanism as the “glidepath” to the euro, and the *Bundesbank* on the other, which would be required to support the currencies of other nations—including France—when the pre-established margin pegs for currency fluctuations were approached. However, once the *Bundesbank*’s role is appreciated in this context, the deeper geopolitical contest between the two countries always remained.

The *reasons* for the inevitability of Franco-German conflict with the Mechanism were clear, for once it was extended to encompass France, the inevitable question of “who leads” became apparent, a question that—within the limited mechanism of Germany, the Netherlands, Denmark, and Belgium, a limited network known by the nickname of “the Snake”—never had to be broached because the answer was crystal clear. But what did the expanded Mechanism represent?



Did it represent a major change in the German-dominated snake (as claimed in France), or an extension of the domain of the snake to France and Italy (as claimed in Germany)? In the new empire of Charlemagne, who would play Charlemagne? [23](#)

The reason for the contest becomes even clearer when one recalls that to gain *entry* into the Exchange Rate mechanism, countries had to prove that their economies, and domestic policies, would be able to operate within its constraints. [24](#)

This point cannot be pondered long enough, for this very fact means that what the Mechanism really is, is a *currency cartel*, i.e., the *deliberate manipulation of market prices—in this case the price of a particular currency within the Mechanism—by the wider cartel and by its “anchor company and currency,” in this case, the Bundesbank and D-mark. Entry into this cartel depended upon the economic condition of the country (just as entry into the Farben cartel was determined by the economic and fiscal health of its component companies), and by a demonstrated willingness of that country to conform to the operational policies of the wider cartel. [25](#) That is to say, countries had demonstrate their willingness to *suborn their domestic economic and financial policies to that of the cartel*. As will be seen, France, in particular attempted to become, along with Germany, the “hard core” or “co-anchor” within this cartel system, as indeed, did the other larger economies. Once the Mechanism was expanded to the rest of Europe as the “glidepath” to currency union, its history, from then on, was one of “the frantic efforts of non-German would-be members of the ‘hard core’ to prove their virtue by undergoing a trial by ordeal—while within Germany the battle raged for the right to determine who would be judge in that trial,” [26](#) for after all, it was the *Bundesbank*, and ultimately, the German citizen, who was committed to support the other, weaker, economies and currencies in the system. [27](#)*

To put it country simple, the *Bundesbank*’s opposition to all the schemes of the politicians boiled down to its hostility to having French politicians have any measure of influence over German economic and currency policy. [28](#)



## *2. The Geopolitics of the Exchange Rate Mechanism: the European Economic Community, the USA, and The Return of the Madrid Circular*

However, why would French President d'Estang and German Chancellor Schmidt undertake secret negotiations to establish such an unwieldy currency cartel in the first place? As is to be expected, the chief reasons were both cultural and geopolitical. For some French elites, the concept of "Europe" was being promoted because they viewed it "almost as synonymous with Christendom, a counter to the supposedly pagan Anglo-Saxon worship of markets and a bulwark against decadent Anglo-Saxon culture."<sup>29</sup> In other words, "Europe" was to be a counterbalance to the financial and geopolitical weight of the USA and its principal financial and geopolitical ally, Great Britain. For the French elite of both the political right and left, "Europe"—which in this context essentially means some sort of political and monetary-economic union with Germany in a reanimation of Charlemagne's empire—was principally a way "of increasing muscle in a series of struggles, primarily against the United States, over culture, economic philosophy, 'spheres of influence' and economic hegemony."<sup>30</sup> Such thinking was, as we have seen, consistently present in German thinking—again both of the political right and left—since the First World War and throughout the entire Nazi era, and was reflected in the almost ineluctable logic of the Madrid Circular. It is not accidental, therefore, to find a French president of the political right in the form of d'Estang negotiating secretly with a German chancellor of the political left in the form of Schmidt for the creation of the Exchange Rate Mechanism. One might argue that in the wake of 9/11 and an almost out-of-control American "unipolarism" that the pressures on France and Germany to maintain such a power bloc, and to maneuver gradually for ever greater freedom from American economic and military domination, has only added fuel to the fire of such concepts.

Behind the thinking of the French Eurocrats, however, there were even larger compelling cultural and geopolitical issues, and these factors again played deeply into the consistent German planning for a European "Reich." The dogma of the obsolescence of the nation-state runs like a golden thread throughout the conceptions not only of the German elites,<sup>31</sup> as has been seen, but also of their French counterparts, for "The most careful historical

research into the development of the (European Community) shows that the Community has, up to now, been a mechanism for preserving those features of regulatory state power that liberals find objectionable. It is this feature of Europe that has made it attractive to Socialists and corporatists in national governments and the Commission.”<sup>32</sup> For the French Eurocrats, this meant that the European union represented a move away from the nation-state—a state founded upon common linguistic and cultural values—to the state-nation, “depicted as the creation of feelings of unity among many different ‘tribes’ through common fealty to a state whose principles and functions offer material, social and even spiritual advantages to all those who choose to accept them.”<sup>33</sup> To put the question in yet a different form, was there to be a European Germany or a German Europe?<sup>34</sup> Who, to put Connolly’s apt framing of the question again, was to play Charlemagne?

### *3. The Election of Francois Mitterrand and German Reunification*

#### *a. The Election Victory of Francois Mitterrand in 1981*

##### *(1) The Monetary Tango*

The question of “who is to play Charlemagne?” was to come to a head by two events that would shape the future structure of the European Union into the institutionalized “stalemate anchored on Germany” rather than France that it is today. Those events were the election of the Socialist government of Francois Mitterrand in France in 1981, and the German reunification under Helmut Kohl a little over a decade later. After Mitterrand’s election, the geopolitical-monetary tango began, as both countries agreed to the incorporation of other countries—including France—into the “snake.” France was hoping to offset the already preponderant weight of Germany within this system, a weight amplified by the participation of the Netherlands in the snake, and thus coupling the Dutch guilder to the German D-mark, by establishing a similar internal mechanism with Belgium and Luxembourg in the French orbit.<sup>35</sup>

The result of the machinations of President Mitterrand and his ministers, however, was “that France would first have to suffer the humiliation of a monetary Vichy.”<sup>36</sup> Bear that reference to wartime “Vichy France” in mind,

for it will bear potential fruit in a moment. Indeed, France had suffered a kind of “Monetary Sedan,” a replay of the decisive battle of the Franco-Prussian war, that left Emperor Napoleon III surrounded by Prussian armies, and that eventually made him a prisoner-of-war of Chancellor Bismarck. It was the first monetary victory for the Germans against France within the Exchange Rate Mechanism:

Germany was now in a position vis-à-vis France even stronger than it had been vis-à-vis the small countries in the old ‘snake’. It was deciding the ‘when’ and the ‘how much’ of franc devaluations. In addition, it was dictating the domestic policies the French government must follow. From the French side, things seemed very clear indeed. The combination of the ERM and the out-and-out Socialist phase of Mitterrand’s government had led to almost total French monetary subjugation to Germany. But even worse was to come. [37](#)

By March of 1983, the subjugation was so complete that the Germans had their second victory in yet another devaluation of the franc, one that Connolly characterized as “a sort of monetary 1940,” [38](#) recalling the blitz of German panzers through the Ardennes, the breakthrough at Sedan (once again), and the dash to the Channel, isolating the bulk of France’s forces in a pocket and cutting off their supplies, a defeat that made the fall of France inevitable.

*(2) The Strangely Unnoticed Behavior of Mitterrand’s  
Government, and the Ugly Unanswered Question Squatting in  
the Middle of It*

Of course, the French were not about to simply “sit and take it” without offering some resistance, and the Mitterrand government hit upon a “solution” so bizarre and unusual that its very outline raises a nasty question about Mitterrand’s motivations and ultimate masters. Here it is necessary to cite Connolly, for the suggestions and implications of his remarks are obvious:

The devaluation of March 1983 marked the acceptance by Mitterrand... that, in the modern world economic order, ‘Socialism in One Country’

was economically impossible. Instead, they set their sights on the creation of ‘Corporatism in One Continent’, *along lines similar, as it happens, to those envisaged by Nazi and Vichy theorists, to confront the ‘Anglo-Saxon’ world.* <sup>39</sup>

What was this “Corporatism on One Continent”? French theorists called it “Rhenisch capitalism,” <sup>40</sup> the “capitalism of the Rhine,” or in other words, the capitalism of the large German-anchored multinational cartels, a capitalism of “the big battalions, the industrial-financial complex, the banking cartels, the big business associations, the trade unions.” <sup>41</sup>

Beginning in 1994 in France, a series of books and articles began to appear questioning Mitterrand’s past, and particularly, his role in the Nazi puppet regime of Marshal Petain in Vichy France. The question soon became controversial and articles even appeared in the American press, recounting Mitterrand’s dubious association with the Vichy regime, while simultaneously aiding and abetting the French resistance. <sup>42</sup> Given this collaborationist-Petainist past, the possibility arises that Mitterrand may have been deliberately emplaced to emasculate France monetarily at the crucial moment. This does not, however, mean that Mitterrand was either a Nazi, or a traitor, at least, not in the conventional sense of the word, for like all Frenchmen during the difficult years of the German occupation, he had to decide on how much collaboration, and how much resistance, was best to offer for the long-term good of France. This said, perhaps one must look *elsewhere* for Mitterrand’s ultimate masters and motivations, and these are suggested by his willingness to revive the corporatist-cartelist ideas that were current in Vichy France as it was being integrated into the then emerging Nazi-sponsored “European economic zone” dominated by the *Reichsmark*. Viewed in *that* perspective, one cannot discount the possibility that his election and monetarily disastrous policies for French monetary sovereignty may not have been accidental, but perhaps the result of deliberate long-term planning.

*b. The German **Wiedervereinigung** and the Implications of Kohl’s Tender Offer for the Exchange Rate Mechanism*

The other major event in the final German victory in the Exchange Rate Mechanism wars, and the victory that led directly to the final unraveling—

perhaps intentional—of that Mechanism and to the creation of the euro and Eurozone itself, was German reunification under Christian Democratic Chancellor Helmut Kohl. The Fall of the Berlin Wall was a shock to the whole geopolitical and economic balance of the continent, and more importantly, a shock to the idea of the “Europe” of the Eurocrats,<sup>43</sup> for a reunited Germany would possess even more financial and geopolitical weight within any currency or political federation than merely West Germany did before.

The principal problem confronting West German politicians and policy makers was what would happen in the eventuality that the Communist bloc crumbled. East Germany’s mark was worth about one tenth of the West German, and its state-sponsored industries were simply not competitive. Consequently, when the Berlin Wall did fall and the borders between East and West Germany were no longer militarized, West Germany was faced with a potential flood of people leaving the eastern zone—possibly permanently—and thus placing a huge strain on the German economy. The problem was how to prevent that from happening.<sup>44</sup>

Kohl, however, had a plan suspiciously ready-to-hand, and that was simply a “Tender Plan,” which basically amounted to a swap of D-marks for East German marks, not at their *market convertibility rate*, but at *par value*, that is to say, one West German mark was exchanged for one East German mark.<sup>45</sup> The result was predictable:

East German families, suddenly finding their wages (or welfare payments) worth seven times as much in terms of West German goods and services as they previously had been, would be likely to go on a spending spree—in West Germany. All in all, there was likely to be a further surge in the demand for goods and services in the new German monetary union as a whole, yet the output of the union as a whole would fall as East German firms became even more uncompetitive than before on world markets (and as previously guaranteed markets in Eastern Europe and the Soviet Union collapsed).<sup>46</sup>

Kohl’s scheme, however, worked, for it kept the East German population for the most part in place, boosted the West German economy, and in the long run—or rather as it turned out—very short run, paved the way for the

*Anschluss* of the two Germanies as West Germany simply swallowed the entire former eastern zone whole.<sup>47</sup>

The problem, however, remained France, and how to assuage “French fears of German domination of the Continent.”<sup>48</sup> This was done by giving the French assurances not only that Germany would give a solemn pledge not only to join a monetary union, but that in the meantime that Germany would not attempt any realignment of the D-mark versus the franc peg rates within the Exchange Rate Mechanism.<sup>49</sup> In other words, in spite of the fact that the German economy was now vastly expanded, and in spite of the fact that the D-mark had suffered a de facto temporary devaluation, the Kohl government committed itself to maintaining rate pegs reflective of the pre-reunification rather than the post-reunification economic realities.

For the moment, Kohl had appeased Mitterrand (or, if one takes the view that Mitterrand and Kohl were both acting in the interests of the German-anchored cartels, both men had fought off, for the moment, the appearance of a completely German dominated currency zone within the Exchange Rate Mechanism).

### *c. The Beginning of the End for the Exchange Rate Mechanism:*

#### *(1) Alphandéry’s Gaffe*

This state of affairs was not to last, however, for it all came very near to unraveling—and a persuasive case could be made that it did come unraveled, at least from the French point of view—in the gaffes made by French Economics Minister Edmond Alphandéry. In the period of the late 1980s, as it was becoming increasingly clear to careful observers that the Soviet-Warsaw Pact bloc was going to implode economically and politically, and that German reunification was looking more and more likely, Alphandéry spoke on June 24, 1993 on French radio, and “In just a few seconds, sealed the fate” of the Exchange Rate Mechanism.<sup>50</sup> In the talk, Minister Alphandéry implied that he was summoning the president of the *Bundesbank*, Helmut Schlesinger, “to Paris the next day to tell them that German interest rates had an importance going far beyond Germany’s borders. There were millions of unemployed in France, and the hope of reducing unemployment depended on cuts in German interest rates.”<sup>51</sup>

The effect of Alphan  ry's talk in the financial markets was electric, particularly in Europe.<sup>52</sup> Alphan  ry's gaffe was almost total, particularly when viewed from the German side of the Rhine:

What had Alphan  ry done that caused mouths to gape with horrified surprise? In short, he was The Man who Told the Truth about the (Exchange Rate Mechanism). What Alphan  ry did was, by mistake, to state the bleeding obvious, reposed on a determination to *avoid* stating the bleeding obvious. More specifically, Alphan  ry demolished at a stroke the arguments defended by Trichet. He admitted that French unemployment was linked to the level of short-term interest rates—a proposition that Trichet and his minions ridiculed as a symptomatic effusion of 'Anglo-Saxon economics'. He then signaled to the markets that Germany was still the boss in the system: there was no more room to reduce French short-term interest rates unless the Bundesbank cut *its* rates first. Next, and perhaps most damaging of all, he gave the impression of issuing summonses and orders to the Bundesbank—an institution whose public image forbade it from appearing, whatever the reality might be, to take orders from the German government, never mind the French.<sup>53</sup>

Or, to put it in terms of the military analogies of Franco-German wars, Alphan  ry had managed to combine the French defeats at Sedan in the Franco-Prussian War and World War Two into one colossal financial-political debacle.

Naturally, the public reaction from Helmut Schlesinger and the *Bundesbank* was one of outrage and anger. But privately, the reaction was one of elation, for

...the weakness of the French economic position had been revealed to the international markets; the offensiveness of the French political position had been fully revealed to the German public. Schlesinger's position was strengthened immeasurably. He could now be sure of the support of public opinion in any battle of wills with Kohl about supporting the franc. And, without the slightest possible doubt, there *would* now be further attacks on the franc.<sup>54</sup>



The weakness of the French political position was now evident, and the desperation of French Eurocrats to “preserve the faith” and use the Mechanism as a glidepath to European currency unification could not occur without Germany, for as has been made abundantly clear by now, the *Bundesbank* and the D-mark were the anchor and peg of the whole system, and were thus responsible for shoring up weaker currencies to maintain them within the pre-established margins of exchange within the mechanism.

This led to a remarkable exchange between Jean-Claude Trichet and *Bundesbank* vice president Hans Tietmeyer a few days later, at an international meeting to coordinate the business of the continent’s heavily subsidized airliners:

Trichet arrived in the meeting-room before Tietmeyer. By the time the German entered, the room was almost full. The other participants were treated to an experience that was revealing of the post-gaffe state of Franco-German monetary relations almost to the point of embarrassment. As soon as Trichet saw Tietmeyer, he rushed towards him gasping ‘Cher Hans’ and, evidently wanting to give physical expression to the celebrated phrase, ‘two hearts beating as one, flung his arms around him. Tietmeyer’s whole stolid, Westphalian body went rigid, his arms ramrod-straight by his sides. Trichet gazed up, apparently entranced, into Tietmeyer’s unwontedly discomposed face, maintaining his embrace so long and so close that onlookers began counting the seconds. Neither party to the embrace, neither the willing nor the unwilling, spoke a word, nor did anyone else in the room. Tension mounted: would Trichet release his grip on Tietmeyer? Would Tietmeyer extricate himself forcibly? Then the door opened; a latecomer entered the room. He stopped dead in his tracks as his eyes fell on the strange tableau before him, giving the relieved spectators the chance to laugh. The tension dissipated, Trichet and Tietmeyer grinned embarrassedly, and the Frenchman’s arms fell away from his liege-lord. No one who witness this scene could have any doubt about its meaning. The principle of Divine Right was re-established. The monetary courtier Trichet was seeking public forgiveness of his sovereign for an act of attempted rebellion by France. [55](#)

After much theater—including joint Franco-German statements that the franc-D-mark peg would remain unchanged, Schlesinger's *Bundesbank* by Friday, July 30, 1993 was in a difficult position, for the franc-D mark peg—and the French position within the Mechanism and its aspirations within “Greater Europe” were hanging by a thread.

It all depended on what Schlesinger's *Bundesbank* would do. And the speculations abounded as the currency markets closed for the weekend:

Rumours flew everywhere: that Kohl had threatened to change the Bundesbank Law if the bank did not save the (Exchange Rate Mechanism); that Schlesinger had threatened to resign if Kohl continued to press him; that Alphantéry, Juppé, Balladur and Mitterrand were all ceaselessly cajoling Kohl; that Tietmeyer planned to lead a rebellion within the Bundesbank Council. One report that does appear to have been firmly based on fact is that the Bundesbank had been phoning around the largest market players, asking them how big a reduction it would need to make in its discount rate in order to keep the (Exchange Rate Mechanism) intact—bigger and bigger as the weekend progressed. On Friday afternoon, market comment called for a half-point cut in the discount rate. Saturday's newspaper spoke of 0.75% as the cost of holding the (Exchange Rate Mechanism) together. By Sunday, it appeared that only a full point would suffice. To anyone with any insight into Bundesbank thinking, these reports were the final evidence that the (Exchange Rate Mechanism) was going to collapse. Had not Schlesinger made it clear in April that whatever else happened, the Bundesbank would not let the market determine German monetary policy? Yet by the end of the weekend, most commentators had convinced themselves that the Bundesbank would cave in to political pressure from Kohl and cut its discount rate by a full point. [56](#)

As will be seen momentarily, however, there is some reason to believe that the tensions between Kohl and the German central bank might have been a bit of theater for public consumption.

But on Monday, as currency traders in New York anxiously awaited the expected announcement of the cut in German discount rates from the *Bundesbank* so that they could begin selling D-Marks and buying dollars,

the announcement came from Frankfurt that there would be no cut, “no full point cut, no three-quarter point cut, no half point: nothing.”<sup>57</sup> What ensued was not the expected sell-off of the D-Mark, but rather, of every *other* currency now enmeshed in the Mechanism: pesetas, escudos, Belgian francs, Danish kroner, and especially, French francs, forcing the Banque de France to intervene massively to attempt to keep the franc within the margins of the Mechanism’s peg to the D-Mark.<sup>58</sup>

France now played its one remaining card, and demanded that the *Bundesbank* bail out and defend the French franc, according to the Mechanism’s rules. The only *other* way to fix the problem would be for an immediate monetary union—a common currency—for both Germany and France, which would “freeze” out the other major European economies, Spain and Italy.<sup>59</sup> The Germans, including Tietmeyer, immediately and correctly perceived the French demands as not only the abandonment of Germany’s monetary sovereignty, but as a relinquishment of the role of “playing Charlemagne” to the French.

This was too much, even for Chancellor Kohl, and the *Bundesbank* and *Bundeskanzlei* closed ranks. The Mechanism was no more, and the Eurozone, the papering-over (pun intended!) of the Franco-German disputes, came into its existence, with the German economy still in the curious position of being both locomotive and caboose to the rest of Europe, both driving, and yet having to bail out, the financial shenanigans of its smaller and less competitive neighbors.

It is, however, a curious fact that the European Central Bank located, not in Brussels, nor in Paris, but in Frankfurt, headquarters of the old Farben cartel. This curious fact, in spite of the public presentation of the Eurozone as the result of the “stalemate” of the currency wars between France and Germany under the Exchange Rate Mechanism, suggests that perhaps the presentation of stalemate is merely meant to assuage certain parties’ wounded national pride, and suggests also that there are other factors perhaps lurking in the background of an entirely non-financial, non-economic nature.

After all, neither the *Bundesbank* nor the Kohl government caved into to the pressures from Paris.

(2) *Kohl and the Bundesbank Present a United Front: The Kohl-Lammers CDU Paper*

What that “something else” might have been is strongly suggested by observations that Connolly himself makes in his book, for he makes the trenchant and profound observation that “Europe” may mean one thing to the French bureaucrats, and quite another to the German elite. “Kohl,” observed Connolly, was hardly the type of man that believed that “Germany needs to be ‘saved from itself” and that “Europe” may have been for the “Chancellor of the Reunification”—the Chancellor who clearly had prepared carefully for the reunification not only with his “Tender Scheme” but also by apparently activating dormant cells within East Germany to help drive the process from the other side<sup>60</sup>—but a means “to legitimize a ‘German Europe’ including not only *Frankenreich* but also the lands to the east of Germany.”<sup>61</sup> Indeed, as I recounted in *The Nazi International*, the Kohl government moved very quickly—and forcefully—after the reunification to break apart the Versailles-created “countries” of Czechoslovakia and Yugoslavia, and to reassert close German economic dominance over Bohemia-Moravia and the newly recognized Croatia breakaway state in the former Yugoslavia. As I put in in that book, the playbook seems exactly that of 1938-1939, and 1941: “Is it live, or is it Memorex?”<sup>62</sup>

Clearly, *something* was giving the Kohl government the confidence to undertake such bold moves, and such outright defiance of the “old enemy,” France.

The question is, what was it?

A clue is perhaps afforded by a paper that was “produced in September 1994” by Chancellor Kohl’s political party, the Christian Democratic Union, and its

...Parliamentary Committee on European Affairs under its chairman, Karl Lammers. This document, apparently approved by Kohl, insisted that France must abandon its ‘obsession’ with the ‘empty shell of the nation-state’ and *that monetary and political union must proceed via a ‘hard core’ of Germany, France, the Benelux and Denmark*. It also contained a naked threat: ‘Never again must there be a destabilizing vacuum of power in central Europe. If European integration were not to

progress, Germany might be called upon, or tempted by its own security constraints, to try to effect the stabilization (a word full of unpleasant historical echoes) on its own, and in the traditional way.’ Naturally, the ‘peripheral’ countries reacted unfavourably to the report(as, it needs to be said, did the [Social Democratic Party] and [Free Democratic Party] in Germany).<sup>63</sup>

To put it succinctly, was the old blackmail diplomacy in a new guise: unite with us in a German-led European Union, or we might have to go our own way again. For post-reunification Germany, the idea of “Europe” was simply a flanking maneuver around its own past.

And notably, the Kohl-Lammers document from the Christian Democratic Party’s Parliamentary Committee on European Affairs was couching such European Union in the now familiar old terms of *Mitteleuropa* and the need for a strong German dominance to replace the vacuum created by the dissolution of Austria-Hungary. The document simply and essentially *repeats* what has already been encountered in the Madrid Circular, and that formed the crucial conceptions of the wartime Nazi studies.

### *C. A Secret Kohl-Gorbachev Treaty?*

But again, the question recurs: what could have given Kohl’s government such confidence? Such confidence could only have come from *political* strength, and here Connolly briefly suggests what it was:

Intriguingly, there may also have been a dramatic geopolitical element in the Bundesbank’s attitude. According to some analysts, Kohl and Gorbachev had already come to an agreement, in the autumn of 1987, on German reunification in return for Western acceptance, to be brokered by Germany, that the Baltic States, the Ukraine and Byelorussia would remain within the Soviet sphere of influence.<sup>64</sup>

The agreement, moreover, could not be made public until circumstances to the American disengagement from Europe.<sup>65</sup>

Accepting for the sake of argument that there was such a Molotov-Ribbentrop Pact version 2.0, a “Kohl-Gorbachev Update,” then recent

geopolitical events in Europe begin to take on new meaning, for there is possibly a hidden factor in the background driving events that otherwise would seem on the surface to be insane, including the sudden American actions intervening in the Ukraine, toppling a government that indicated it was reneging on moves to join the European Union, and closing bases in Western Europe, moving them and stationing troops into Poland, the Baltic States, Romania, and the Ukraine, *for these moves would be entirely understandable if the USA were attempting to prevent a resurgence of a German-dominated and led European Union, and any rapprochement between German-led Europe and Russia.* In other words, *recent American actions in Eastern Europe make sense **only if viewed as counter-actions against long-time German plans for a united Europe.***

It is thus crucial to understand what has actually been asserted here, for Connolly, let it also be recalled, worked in the highest levels of the European bureaucracy, and thus any mention of such a secret treaty by him should be taken with all the gravity and weight it deserves. In his reading, Kohl could thus afford to be “magnanimous” with the French by acceding to a monetary union, <sup>66</sup> provided of course, that in return for these “concessions” the European Central Bank would be based in Germany.

One who took Connolly’s indications seriously was fellow Briton Christopher Storey, whom we encountered earlier, for Storey goes so far as to state that after German pressure successfully cracked up Czechoslovakia into its more easily digestible components of Bohemia-Moravia and Slovakia, <sup>67</sup> the Czechs in vain attempted to draw attention to this secret treaty by leaking some of its details in the Prague media. <sup>68</sup> Additionally, hints of this secret agreement also appeared in the Russian press, for a Russian foreign policy specialist, Igor Maksimychev stated in the Russian Foreign Ministry’s journal *International Affairs* that “Today we have the opportunity to influence...universal European security directly through our bilateral relations with Germany *which are of a special nature.*” <sup>69</sup>

Nor was this all, for Maksimychev, whom Storey qualifies as a “senior Leninist *apparatchik*” also expressed some anxiety in his article, making it

clear that Moscow thinks that Germany’s model was making faster progress than its own, that Germany cannot be trusted to further Moscow’s ‘*universal* European integration’ strategy, and that Moscow

must make sure that the Pan-German strategy is reliably channeled, by whatever means, so that it promotes the Soviet Leninists' objectives **at the expense** of the Pan-German model.<sup>[70](#)</sup>

Thus, as Storey notes, the Russian objectives to create a greater Eurasian Economic Union, or a "Europe from the Atlantic to Vladivostok"—itself a consistent goal of *Russian* foreign policy since the late Tsars, and a matter of detailed planning under Lenin—is at loggerheads with Germany's plans for a German-led "Europe from the Atlantic to the Urals," a proposition which suggests that the ultimate German aim is to detach European Russia from the rest of the country, a goal which is consistent with British and American objectives (for the British, likewise since the nineteenth century), and which could also conceivably be done *without* American help, by invoking the assistance of Asia's other two powerhouses: China, and Japan.

Behind all the rhetoric of "customs unions" and "free trade," it is in essence the same old Great Power geopolitical game. The only thing that has changed, is not that the old familiar players—France, the United Kingdom, Italy, Germany, and Russia—have gone away, but rather, that new players have been added to the list: the USA and Japan in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries, and China, India, and Brazil in the late 20<sup>th</sup> century.<sup>[71](#)</sup>

### *1. Its Alleged Protocols*

However, Storey goes much further, for the Czech newspaper *Tydenik Politika* summarized the entire alleged German-Soviet secret pact in its paper for the week of November 14-20, 1991, *fully one year, as Storey notes, prior to the crack-up of Czechoslovakia and Yugoslavia under German pressure*, a fact that would seem to confirm the probability of the reality of the pact.<sup>[72](#)</sup>

The details of the pact as reproduced by *Tydenik Politika*, and translated by Storey, make for chilling reading:

- The German Federal Republic **demands** (sic) from the USSR compensation for annexed eastern Prussia and for the area east of the Oder-Neisse (line).<sup>[73](#)</sup>



- The German Federal Republic **demand**s withdrawal of Soviet influence in the Bohemian-Moravian region. The Soviet Union is unwilling to tolerate in the vicinity of their borders a Czechoslovak Federal republic régime which does not accept the Soviet gesture that allowed Husak's régime to fall in Czechoslovakia. The Government of the Czechoslovak Socialist federal republic is unceasing in its agitation against the USSR and is making the position of the Soviet Government and the President more and more difficult. This is a position that is different from that of the Polish and Hungarian Governments.
- The USSR will (therefore) **not object to the splitting of the Czechoslovak Socialist Federal Republic**, due to an insufficient guarantee of political equilibrium in Central Europe and the lack of statesmanship of both the Czech and Slovak nations.
- The USSR supports the potential membership of the Bohemian and Moravian regions within the sphere of economic interests of the German Federal Republic and **the political incorporation of these regions into Germany within 12 to 15 years** (of September-October 1990).
- The Federal Republic of Germany will compensate the USSR for the economic losses thus inflicted on the Soviet Union.<sup>[74](#)</sup> The Federal German Republic will prepare for a possible decline in popularity of the present Czechoslovak Socialist Federal republic leadership by preparing groups, having a positive attitude towards Germany and which are acceptable even to the Soviet Union, *drawn as an alternative even from left wing parties (sic)*, without evident interference in the process of proliferation of political parties.<sup>[75](#)</sup>
- With regard to the willingness of Hungary to maintain political and economic stability in the Danube region, the USSR and the Federal Republic of Germany will not object to the re-establishment of a Hungary within the original borders, as stipulated by the Trianon Treaty. The Federal Republic of Germany will increase its economic aid to Hungary in order to lift the standard of living in Hungary above that (prevailing) in Slovakia, so that joining Hungary becomes attractive to Slovakia.<sup>[76](#)</sup>

- The USSR has no objections to the establishment of a German university and high schools in the regions of Bohemia and Moravia, and to the financing of these schools by Germany.
- The USSR does not object to the breaking-up of Yugoslavia**, and supports the transfer of Croatia and Slovenia into the economic sphere of Germany.
- The USSR has no objections to the deployment of (the means of procuring) political destabilisation<sup>[77](#)</sup>
- The Federal Republic of Germany will not become engaged in issues concerning (the) Ukraine, Lithuania, Latvia and Estonia, and will not consider them to be an area of economic interest, above and beyond an acceptable level.**
- *The USSR will not object to the separation of Ciscarpathian Ukraine in the event of establishing activity undertaken by Ukrainian nationalists, and its incorporation into a Hungarian Republic.*
- The USSR does not object to the gradual colonization of the Czech border areas by Soviets and Germans.<sup>[78](#)</sup>

Note the hugely significant fact that note only did this alleged pact (which reads more like a memorandum of understanding) predict the crack-up of Yugoslavia and Czechoslovakia, but that Storey, who passed away prior to the current problems in the Ukraine being caused by “nationalists,”<sup>[79](#)</sup> *could not have known of this event*. Thus, one must add to the corroboration of the pact a *third* component, namely, the recent events in the Ukraine. Thus, the probability that the Czech newspaper is reporting on a really existent document is raised considerably.

Thus, what the document says about the Hungarian annexation of the Ciscarpathian Ukraine could be hugely significant, *for this event has not yet occurred*, and indeed, such an event *might occur, and be argued for the as “the best solution to stabilizing the western Ciscarpathian Ukraine.*

## 2. The Disturbing Questions

The reader will have noticed something else in the foregoing document, namely, that it stated, clearly and unequivocally, that the reunited Germany was not *asking* the Soviet Union to do certain things, but *demanding* that it

do so. The question is, what possible leverage did Germany have to in order to use such language against the Soviet Union which, despite its economic problems, possessed a huge nuclear and thermonuclear arsenal, indeed, the world's largest. So again, whence came Chancellor Kohl's confidence? Did it come simply from the bluster of "blackmail" diplomacy, or was there a reality backing it up? And if so, what was it?

One answer, of course, might lie in the nuclear and thermonuclear politics that we have encountered the German elite playing in previous chapters, including the very sobering reality that Germany is already a *de facto* nuclear and thermonuclear power, since it is heavily involved in arming the *French nuclear force de frappe*. But again, while France's nuclear and thermonuclear arsenal (and whatever weapons Germany might secretly have squirrelled away) could do devastating damage to either Russia or the USA, its mere hundreds of warheads, as opposed to Russia's thousands, would not seem to carry enough "weight."

So what was the reality backing up Kohl's demands, if there was any?

For the answer to that, one must do some cosmic speculation...

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<sup>1</sup> Christopher Storey, *The European Union Collective: Enemy of its Member States: A Study in Russian and Germany Strategy to Complete Lenin's World Revolution* (London: Edward Harle, 2001), p. 160, emphasis in the original.

<sup>2</sup> Bernard Connolly, *The Rotten Heart of Europe: The Dirty war for Europe's Money*, p. 18.

<sup>3</sup> Joseph P. Farrell, *Babylon's Banksters: The Alchemy of Deep Physics, High Finance and Ancient Religion* (Port Townsend, Washington: Feral House, 2010), p. 41.

<sup>4</sup> Christopher Storey, *The European Union Collective*, p. 159.

<sup>5</sup> This line in Storey's reproduction and translation of the Funk book's table of contents actually reads "**Dr Horst Jecht**, a Professor and leading Nazi economist from the Berlin School of Economics." (p. 162)

[6](#) Storey makes the observation that this is the “origin of the subversive European Regional Policy and the Committee on Regions—a scheme to break down the constituent nation states from within and to foster links between the regions and the Euro-centre in order to render the national centres redundant. This is truly among the most insidious features of the creeping revolution or ‘coup d’état by installments’ afflicting EU countries.” (Storey, *The European Union Collective*, p. 165).

[7](#) Christopher Storey, *The European Union Collective*, pp. 162-166, bold-and-italicized fonts added for emphasis of points for discussion in the main text.

[8](#) Christopher Storey, *The European Union Collective*, pp. 162-166.

[9](#) Christopher Storey, *The European Union Collective*, pp. 167-168, emphasis added.

[10](#) This scheme recalls Schacht’s plan to have the *Reichsbank* issue credits in British sterling, a plan it will be recalled that the Bank of England’s Montagu Norman actually agreed to. The point here is that an attempt is being made, through tender, to internationalize a particular national currency. The byzantine cunning of the Nazi scheme was simply to create a version of the BIS, then allow it to issue such credits in the German currency, thus assuring a profound Nazi domination of the institution.

[11](#) Bernard Connolly, *The Rotten Heart of Europe: The Dirty War for Europe’s Money*, p. vii.

[12](#) Storey, *The European Union Collective*, p. 169.

[13](#) Bernard Connolly, *The Rotten Heart of Europe*, pp. 231-232.

[14](#) Bernard Connolly, *The Rotten Heart of Europe*, p. 201.

[15](#) *Ibid.*, p. xii.

[16](#) *Ibid.*, p. 240.

[17](#) *Ibid.* p. xi.

[18](#) Bernard Connolly, *The Rotten Heart of Europe*, p. xvi.

[19](#) *Ibid.*, emphasis added.

[20](#) *Ibid.*, p. 17.

[21](#) *Ibid.*, p. 10.

[22](#) *Ibid.*, pp. 16-17.

[23](#) Bernard Connolly, *The Rotten Heart of Europe*, p. 17. Connolly also notes that this question was deliberately left unanswered in the Maastricht treaty that led to the creation of the current structure of the European Union. But as we shall argue in this chapter, on the basis of Connolly's own review of the ERM, while the battle between France and Germany for domination may have ended in a stalemate, that stalemate appears to be heavily weighted on the German side of the scales. This weighting, when combined with the data of *previous* chapters, would thus make it appear to be a marginal to tactical German victory within the struggle to dominate the EU.

[24](#) It is also worth pointing out that the Exchange Rate Mechanism came into existence through a series of secret negotiations held between d'Estang and Helmut Schmidt, and that the *Bundesbank* was opposed to these negotiations. (q.v. Connolly, op. cit., p. 9)

[25](#) Bernard Connolly, *The Rotten Heart of Europe*, p. 167-168.

[26](#) *Ibid.*, p. 169.

[27](#) The *Bundesbank's* remarkable independence from the German government itself led to many confrontations, and in fact the *Bundesbank* is widely regarded as having brought down the Schmidt government in response to the latter's secretive negotiations with d'Estang's government in creating the Exchange Rate Mechanism in the first place. This independence is, again, reminiscent of the Bank of International Settlements' de facto sovereignty, and it prompted Connolly to ask "Why an unaccountable political role for such an important institution is tolerated and even welcomed in German democracy is a key question..." (Connolly, op. cit., p. 253.)

[28](#) *Ibid.*, p. 13.

[29](#) Bernard Connolly, *The Rotten Heart of Europe*, p. xiv.

[30](#) *Ibid.*, p. 383. Connolly observes that "The attempt of certain Euroenthusiasts to create such an enemy in the shape of the US and Japan smells nastily of 1984." (p. 384.)

[31](#) Bernard Connolly, *The Rotten Heart of Europe*, p. 379.

[32](#) *Ibid.*

[33](#) *Ibid.*, p. 380. Note the use of the term "fealty," a term of feudalism with a specific legal meaning. Connolly's use of it here is hardly accidental, for within the feudal system, one might owe "fealty"—i.e., the obligation to

raise a local armed force—in response to a local lord’s call for it. Within this system, individual lords could owe fealty to *several* other lords. This tapestry of contractual obligation—for fealty is a system of contractual obligation—could and did lead to conflicts when one lord called upon his subordinates to make good on their obligations of support in conflicts with another lord to whom they also owed support. Thus arose the concept of the “liege lord” to whom one owed the performance of such obligations when such contractual conflicts arose. Thus, the structure of the EU may be viewed as a liege-lord-system, to which one owes ultimate obligations of performance in the case of more localized, i.e., national or regional, conflict.

[34](#) Ibid., pp. 386-387.

[35](#) Bernard Connolly, *The Rotten Heart of Europe*, p. 26.

[36](#) Ibid.

[37](#) Bernard Connolly, *The Rotten Heart of Europe*, p. 28.

[38](#) Ibid., p. 30.

[39](#) Ibid., p. 32, emphasis added.

[40](#) Ibid., p. 31.

[41](#) Bernard Connolly, *The Rotten Heart of Europe*, p. 76, see also p. 210.

[42](#) See, for example, Bernard D. Kaplan, “Mitterrand Reveals his Support for Pro-Nazi Regime During World War II,” *The Baltimore Sun*, Sept. 8, 1994, [http://articles.baltimoresun.com/1994-09-08/news/1994251106\\_1\\_vichy-president-francois-mitterrand-war-ii](http://articles.baltimoresun.com/1994-09-08/news/1994251106_1_vichy-president-francois-mitterrand-war-ii) .

[43](#) Bernard Connolly, *The Rotten heart of Europe*, p. 87.

[44](#) Ibid., p. 88.

[45](#) Ibid., p. 92.

[46](#) Ibid., pp. 92-93.

[47](#) It is worth noting that roughly during this period of the German reunification process, the *Bundesbank* made a similar tender offer to Belgium, making it very clear who was really getting to “play Charlemagne” in the “New Europe.” (See Connolly, *The Rotten Heart of Europe*, pp. 234-235.)

[48](#) Ibid., p. 88.

[49](#) Ibid.

[50](#) Bernard Connolly, *The Rotten Heart of Europe*, p. 309.

[51](#) Ibid.

[52](#) Connolly records that one official within the European Commission, upon hearing Alphandéry's statements, stated "Alors, c'est bien foutu, le système," or, as Connolly conveniently translates, "So, the system's well f\*\*\*\*d." (Connolly, op. cit., p. 309, n. 18.)

[53](#) Ibid., p. 309.

[54](#) Bernard Connolly, *The Rotten Heart of Europe*, p. 310.

[55](#) Bernard Connolly, *The Rotten Heart of Europe*, pp. 310-311.

[56](#) Bernard Connolly, *The Rotten Heart of Europe*, p. 319.

[57](#) Ibid., p. 320.

[58](#) Ibid.

[59](#) Ibid., pp. 322, 324-325.

[60](#) See my *The Nazi International*, pp. 209-241.

[61](#) Bernard Connolly, *The Rotten Heart of Europe*, p. 388.

[62](#) Joseph P. Farrell, *The Nazi International*, pp. 232-233.

[63](#) Bernard Connolly, op. cit., pp. 388-389, emphasis added.

[64](#) Bernard Connolly, *The Rotten Heart of Europe*, p. 41.

[65](#) Ibid.

[66](#) Bernard Connolly, *The Rotten Heart of Europe*, p. 42.

[67](#) Recall the Czech's complaint that they had once again been reduced to a *Reichprotektorat Böhmen und Mahren*, see my *Nazi International*, pp.

[68](#) Christopher Storey, *The European Union Collective*, p. 153.

[69](#) Ibid., pp. 153-154, emphasis Storey's citing Igor Maksimychev, no title or page given, *International Affairs*, Volume 43, Number 1, 1997.

[70](#) Christopher Storey, *The European Union Collective*, p. 158, all emphases Storey's.

[71](#) As a pertinent aside, Storey also notes that the American geopolitical planner, and the author of National Security Memorandum 48 and its policy of "containment" and eventual "rollback" of Communism, George F. Kennan, was a student at the University of Berlin, where he imbibed the geopolitical ideas of German general Karl Haushofer, one of the key influences on Adolf Hitler. The "containment" and "rollback" doctrine was



also espoused by German General Reinhard Gehlen, wartime head of German military intelligence on the Eastern Front, the *Fremde Heere Ost* (Foreign Armies East) unit of Germany's *Abwehr*, raising the question of why America's foreign policy at times seems so schizophrenic and counter-intuitive to American interests in a very stark form. Kennan was, of course, a key advisor to the Truman Administration, which essentially put into places the long-term mechanisms of America's postwar foreign policy, many of which persist to this day. One need think only of the CIA and NSA in this regard. We shall have occasion to explore *other* reasons for this schizophrenia and counter-intuitive foreign policy in the next and final part of this book.

[72](#) Christopher Storey, *The European Union Collective*, p. 205.

[73](#) At this juncture, Storey adds an editorial comment: "In the event, Chancellor Helmut Kohl announced in 1990 the final German renunciation of any revision of the Oder-Neisse border with Poland. This is one of the peculiar anomalies of this document; but it does not undermine its significance, given that the division of Czechoslovakia and the destabilisation and carve-up of Yugoslavia were accurately anticipated therein." (p. 202)

[74](#) It is important to bear in mind that "compensation" could come in many forms, including bi-lateral trade agreements and technological assistance from Germany to Russia.

[75](#) Storey adds an editorial comment here: "Note: This represents confirmation that the Czech and Slovak 'democracies' are false, controlled exercises in Soviet 'democratism'..." (Storey, *The European Union Collective*, p. 203).

[76](#) The mention of the Treaty of Trianon, which ended World War One between the Allied and Associated Powers and Austria and Hungary, stipulated the current borders of Hungary. However, within the Dual Monarchy, the borders of the Kingdom of Hungary included most of Transylvania in the region west of the Carpathian Mountains, now in Romania, while Slovakia was, of course, incorporated into the Kingdom of Galicia within the Austrian part of the Dual Monarchy. Thus, this component of the pact is essentially awarding Hungary, if it so chooses, the Slovakian component of the old Austrian Kingdom of Galicia, plus the formerly Hungarian territories of Transylvania, now in Romania. Perhaps

this alleged secret pact is therefore a hidden reason why the United States has based some troops in Romania, as a counter-weight to any potential combined Russo-German-Hungarian pressures on Romania. In effect, what the pact is attempting to do is to recreate the Hungarian component of the Dual Monarchy, while the Austrian component of it falls under the German sphere of influence. This is, once again, perfectly consistent with German plans for a European federation that were outlined during the First World War.

[77](#) Of Yugoslavia. Storey's note on this point states "As subsequently materialised in Yugoslavia" (Storey, *The European Union Collective*, p. 203).

[78](#) Christopher Storey, *The European Union Collective*, pp. 202-203, bold emphasis, and italics emphasis, when appearing separately, are Storey's. Bold and italics emphasis when appearing together and combined, are my own.

[79](#) Storey died in 2010.

## CONCERNING THE COSMOLOGY CARTEL : COLLISIONS , QUARKS , AND CONSPIRACY THEORIES

*“Why **do** we find a J.P. Morgan suppressing Tesla?...Why **do** we find a startling ancient connection between banking and physics...?...And why do we find, not just in ancient times, but in modern ones as well, the presence of bankers on the peripheries of such investigations?” <sup>1</sup>*

*“Paradoxically, the farther back in history one goes, the closer the relationship between science, magic, and money becomes.” <sup>2</sup>*

*“Enrico Fermi was one of the few who felt uneasy about all the particles: ‘If I could remember all the names of these particles, I would have become a botanist.’“*

Alexander Unzicker<sup>3</sup>

*“...you don’t have to be an ichthyologist to know when a fish stinks.” Alexander Unzicker<sup>4</sup>*

**T**HERE ARE MORE CONSPIRACY THEORIES about CERN’s Large Hadron Collider than there are particles in the quantum mechanical pantheon. That pantheon has grown considerably in the last few decades to include a bewildering array of fermions, bosons, muons, mesons, hadrons, gluons, quarks, strangelets and, on top of all this, like all particles, these strange creatures are described by their attributes, charge, mass, spin, and so on, though in many cases we now have new attributes whose mathematical abstruseness and abstraction are colloquially referred to as “flavors” and “colors.” Even “charm” and “beauty” and “up” and “down” and “strange” have entered the vocabulary of particle attributes, as if even mathematics itself was no longer quite adequate and normal speech had to take over again and borrow words to allow physicists to talk about the ever-growing family tree of their gods with their peculiar functions and their always

copulating, rapidly multiplying rabbit's warren of offspring. To observe or listen to the discussion from the sidelines it sounds a bit like a romance novel, a bit like a class in art appreciation, and a bit like ordering ice cream...with equations. Nor is the analogy to the pantheons of old entirely without purpose, for according to one hypothesis, just as ancient man invented a new "god" whose purpose was to govern whatever natural function or process he had observed, quantum mechanics seems to invent a new particle to explain each cluster of functional attributes. Have a bunch of particles that have the property of mass? Then there must be a particle (god) whose function it is to impart mass to all the other particles(gods).

And thus—with a *great* deal of teeth-grinding oversimplification—came the hypothesis of the "Higgs boson," with which physicists, by nicknaming it "the God particle," have obligingly confirmed our "particle pantheon" analogy. This "Higgs boson" or "God particle" is supposedly one of the things that CERN's Large Hadron Collider was to look for, and which, supposedly, was one of the things it has already allegedly found. However, as will be seen, it is the least of the deities with which we are concerned.

Indeed, for some scientists, the real deity is the Collider itself, and the terms used to describe it approach, in some cases, religious devotion. For Martin Beech, a professor of astronomy at the University of Regina in Canada, the Collider represents a machine whose "intricate yet paradoxically parsimonious structure, along with its sheer scale" leaves one so "humbled" that one "can do little but wonder" at the Large Hadron Collider.<sup>5</sup> But his adoration—some would say idolatry—does not stop there, as his language lingers on the cusp of a kind of ecstasy as he contemplates the wondrous vision: the Collider, he says, is "Europe's exultant shrine to nuclear physics,"<sup>6</sup> and, invoking a bit of Old Testament imagery, it is a "great leviathan" which is "now awake, roaring and full of promise for the future."<sup>7</sup> Descending from the mountain tops for a moment to share the details of how the glorious tabernacle was constructed, Beech wraps his vision in more prosaic terms, before breaking out in adoration once again that we humans are fortunate to share the universe with such a mystery as this machine; the Collider, he states,

...is the most complicated machine ever built by humanity. It dwarfs by comparison anything else that has ever been constructed. Everything,

including its size, technical complexity, scientific innovation, and exactitude of construction is on the grandest of scales. We are honored to live in an epoch when such a machine, if that really is the right name for the (Large Hadron Collider), can be built.<sup>8</sup>

At the completely opposite end of the spectrum, German mathematician and neuroscientist Alexander Unzicker, a man whom some physicists regard as something of a crank due to his almost total philosophical rejection of the Standard Model, also perceives the “religious” aspect of the situation, an aspect that he strongly suspects has moved physics into the realm of dogma. For Unzicker, the Standard Model now comes complete with its own “parallels to religion,” with its own temples in the form of ever-more-expensive particle accelerators and colliders, for

...it is also the impressive technology, the pure size, cost and shared effort invested in the Large Hadron Collider that convinces people to believe in the standard model. Today’s colliders have taken the role of medieval cathedrals. The harmonious singing in such a large building just cannot refer to a theoretical fantasy.<sup>9</sup>

What is intriguing here is that Beech, who certainly supports the Standard Model, and Unzicker, who clearly does not, both describe the enterprise in quasi-metaphysical terms. So what is going on, and where does the Large Hadron Cathedral fit in?

Before we can answer that we must first deal and dispense with the other rabbits’ warren: the numerous conspiracy theories that have sprouted concerning the Large Hadron Collider. This is not to say that there are not things to be suspicious of regarding CERN’s mammoth machine, nor even that there might be some hidden and covert purposes for it. However, those concerns and those purposes can only be appreciated for their full significance after one has looked at the salient features of the various conspiracy theories regarding it. As will be discovered, those theories have at least enough mass to cause some scientists to address them in their statements. And these statements in their turn, show the evident signs of self-contradiction. At the end of this examination, we shall throw all caution to the winds, and offer our own extremely tentative and speculative

hypothesis about the collider, and what may really be going on. For that to make any sense, however, we have to (1) catalogue the conspiracy theories, (2) understand the collider and its construction (albeit in a basic and rudimentary way), (3) have a rudimentary grasp of the Standard Model of quantum mechanics and of its critics, and finally, (4) a careful review of what scientists themselves have said about their machine and its purposes, for *those* statements, when one reads between the lines, tell a much more extraordinary story than any conspiracy theory ever could.

## *A. A Catalogue of Conspiracies*

### *1. A Bizarre Inventory*

#### *a. Logos and Pictures: Grist for the Conspiracy Mill*

Those conspiracy theories themselves are a veritable catalogue of “hadron hysteria,” and most of them get around to mentioning, at *some* point, CERN’s logo for its collider, which is suggestive, to say the very least:



*The CERN Hadron Collider Logo*

A particle physicist viewing this logo would not think twice about it, for after all, the only things depicted—if any things are being depicted at all—are two circular colliders with five linear injection points, an apt schematic, as we shall see, for the fact that the Large Hadron Collider is in fact a series of five accelerators, one of which is a linear accelerator which gets the balls of hadrons (in this case, protons, or, to be more precise, quarks), going. Others of a more Christian persuasion are not so quick to accept such easy

and facile explanations however, for they quickly point out that the logo also has three 6s boldly encoded into the symbol, and 666, as anyone familiar with the Apocalypse of St. John (the Book of Revelations) will tell you, is the number of the Anti-Christ, the great Beast at the End of the World. For these conspiracy theorists, the very possibility that the Large Hadron Collider might be searching for the world-destroying strangelets of quark-gluon condensates, phenomena of quantum mechanics that some researchers call the “cousin to the black hole,” [10](#) or (worst of all) searching for anti-matter, is proof positive of the hidden occult and Satanic agenda behind it all. The problem is, as we shall see, CERN and various “conCERNed” scientists have made statements that do not entirely help matters; to the contrary.

A hermeticist or esotericist might look at the peculiar logo, however, and see not three 6s, but rather, three 9s, and conclude that a subtle bow is being made to the influence of hermetic doctrines on the rise of modern science in the form of Egypt’s *Enneads(Nines)* by an oblique symbolic reference to the nine primordial *neters* or “gods” from which all existence arises; such persons might be inclined to view CERN’s stated goals, which are inclusive of the attempt to re-create some of the conditions of the “primordial plasma soup” that resulted from the Big Bang (the favorite cosmological theory of CERN defenders), as being a form of alchemy.

We are thus in the position of the three blind men examining the elephant, who, each feeling only one part of the beast, offer their individual piecemeal descriptions as lucid accounts of the whole, an enterprise not at all unlike particle physics, as we shall also see.

The occult and/or hermetic conspiracies are aided and abetted by another curious circumstance, namely, the presence of a statue of the Hindu god Shiva, god/ess of “creation and destruction,” outside its Large Hadron Collider headquarters:

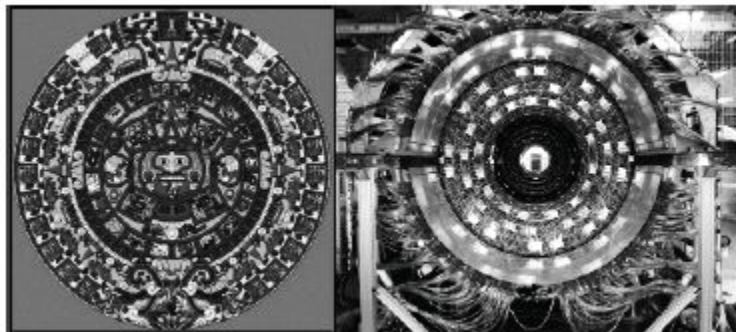




*The Statue of Shiva, Hindu God/ess of Creation and Destruction, at CERN's Large Hadron Collider Headquarters*

While creation and destruction of particles—not to mention heavy ion collisions—are the bread and butter for the Large Hadron Collider, it does not help matters that Shiva's creative and destructive activities are cosmically-sized and cosmological in nature, ushering in one new cosmos upon the destruction of an older one. Shiva is the symbol of the powers of cosmic creation and destruction, and thus, the Hindu god/ess's presence at CERN symbolizes for many the intention of the organization to grasp cosmic powers of creation and destruction through the Collider.

As one might expect, since the Collider began its Shiva-like activities *prior* to the hysteria about the Mayan calendar and its alleged prophecies that the world would end in 2012, it should come as no surprise that some people found an all too disheartening resemblance between the calendar itself, and one of the Large Hardon Collider's "detectors," when viewed on end:



*Comparison of the Mayan Calendar, on the left, and one of the Large Hadron Collider Particle Detectors, on the right*

### *b. A More Sobering Sampling of Lunacy*

When one considers the conspiracy theories in closer detail, however, the gaps between the theories of their creators and those of the scientists grows narrower. Indeed, it may be the case that this is one instance where that gap is quantifiable, and that what is in dispute are not the numbers, but their meaning and implications. One such theory that made the rounds and even found its way into mainstream media reporting was that the scientists were trying to recreate the conditions of the Big Bang itself, and the state of all known matter in the few nano-seconds after the event, or that they were attempting to create “mini black holes” that would “devour the earth and eventually the universe.” [11](#) Yet another variant on this theory is that the diabolical scientists of CERN were also trying to open hyper-dimensional “portals” through which demons can come tumbling down to Earth. [12](#) Somewhat disconcertingly, having taken away with the left hand, the article gives back with the right by noting that the scientists and technicians were indeed trying to recreate “elements of the big bang,” in this case the “quark-gluon plasma, believed to be the first form of matter in the universe.” But all is well, CERN has already done so, and “the world remains stubbornly undestroyed.” [13](#)

Not to be outdone, CERN, on the way to destroying the world, took time off, according to yet another theory, to bring down Germanwings flight 9525 on March 24, 2015 due to an accidental short-circuit in one of its magnets at the same approximate time that the flight crashed into the mountains some 125 miles south of the Collider. Critics, of course, quickly dispatched this theory by pointing out that there were doubtless *other* flights within 125 miles of the Collider when the malfunction happened, and that it was unlikely that the fields generated by the device were strong enough to produce such an effect in any case. After all, the two main elements of the Collider are located far beneath the ground. [14](#) Yet another theory flashed briefly as it was eventually reviewed that the two Americans who perished on the flight were Yvonne Selke and her daughter Emily, as conspiracy theorists pointed out that Yvonne Selke was an employee for Booze Allen Hamilton, Inc., a leading contractor to the U.S. Government in security and data processing and management. [15](#) Rounding out all the lunacy, there is even an attempt to view the Large Hadron Collider and its experiments from an “eco-feminist” point of view. [16](#)

## 2. More Credible Cautionary Notes

As was seen in the previous section, at the heart of the conspiracy theories are allegations that the Collider will produce something—whether mini black holes, quark-gluon plasmas or “strangelets”—that will eventually destroy the Earth, and possibly the world. Here, the story is more complicated than CERN would perhaps care to admit, for as has also been noted, these theories—some of them voiced by competent scientists such as Otto E. Roessler, Professor of Theoretical Biochemistry and chaos theory at Germany’s University of Tübingen<sup>17</sup>—became so vocal that court cases were actually initiated in the USA and Germany to stall the Collider from being switched on, forcing one German court to plea for a safety review of the entire project<sup>18</sup> from more objective quarters than merely CERN’s own bland assurances that absolutely nothing could go wrong.

The controversies even made it into the mainstream media. *The New Yorker* magazine, for example, carried a lengthy article by Elizabeth Kolbert, which summed up the controversy, and how it originated in the USA’s Brookhaven National Laboratory’s Relativistic Heavy Ion Collider (RHIC):

CERN’s chief scientific officer, Jos Engelen, is from the Netherlands. He serves under the director general, who is from France, and alongside the chief financial officer, who is from Germany. I went to speak to Engelen in his office; behind his desk is a chart (which) indicated when the various parts of the collider are supposed to be completed. It was a crazy quilt of multicolored blocks, with lines radiating in all directions. Engelen greeted me with a half-ironic cheerfulness that struck me as very Dutch. Among his responsibilities is dealing with the frequent calls and letters CERN receives about the possibility that the Large Hadron Collider will destroy the world. When I asked about this, Engelen picked up a Bic pen and placed it in front of me.

“In quantum mechanics, there is a probability that this pen will fall through the table,” he said. “All of a sudden, it will be on the floor. Because it can behave as a wave, it can go through; we call that the ‘tunnel effect.’ If you calculate the probability that this happens, it is not identical to zero. It is a very small probability. But it never happens. I’ve never seen it happen. You have never seen it happen. But to the

general public you make a casual remark, ‘It is not identical to zero, it is very small,’ and...” He shrugged.

Worries about the end of the planet have shadowed nearly every high-energy experiment. Such concerns were given a boost by *Scientific American* —presumably inadvertently—in 1999. That summer, the magazine ran a letter to the editor about Brookhaven’s Relativistic Heavy Ion Collider, then nearing completion. The letter suggested that the Brookhaven collider might produce a “mini black hole” that would be drawn toward the center of the earth, thus “devouring the entire planet within minutes.” Frank Wilczek, a physicist who would later win a Nobel Prize, wrote a response for the magazine. **Wilczek dismissed the idea of mini black holes devouring the earth, but went on to raise a new possibility: the collider could produce strangelets, a form of matter that some think might exist at the center of neutron stars. In that case, he observed, “one might be concerned about an ‘ice-9’-type transition,” wherein all surrounding matter could be converted into strangelets and the world as we know it would vanish. Wilczek labelled his own suggestion “not plausible,”** but the damage had been done. “BIG BANG MACHINE COULD DESTROY EARTH” ran the headline in the *London Times*. Brookhaven was forced to appoint a committee to look into this and other disaster scenarios. (The committee concluded that “we are safe from a strangelet initiated catastrophe.”)

“I know Frank Wilczek,” Engelen told me. “He is an order of magnitude smarter than I am. But he was perhaps a bit naïve.” Engelen said that CERN officials are now instructed, with respect to the L.H.C.’s world-destroying potential, **“not to say that the probability is very small but that the probability is zero.”** [19](#)

There are two important points to take away from this brief history.

Firstly, the problem was not the creation of “mini black holes,” but rather, their “cousin,” the strange quark-gluon condensate or plasma, aptly named a “strangelet,” which would eventually suck all matter into contact with it, converting it all to a hyper-dense lump or sphere of matter with the mass of a star, but compacted into a very small volume of space, less than the size of the planet Earth, not quite a black hole, but the nearest thing to it.

Secondly, as Dr. Engelen of CERN himself admitted, the probability was not actually *zero*, but vanishingly small, so small it might be analogous to winning a multi-million dollar lottery three times in a row: *vanishingly small, but still not zero*.

Consequently, it was under *these* circumstances that the controversy continued, and gathered occasional dissenting voices within the scientific community as to the wisdom of “turning on” the Large Hadron Collider. Simultaneously, other people began closely tracking CERN’s actual statements. One of them was Eric Penrose, who caught CERN in a case of “spinning” its reports (no pun intended), if not of outright contradiction. “According to CERN’s safety page,” Penrose wrote,

‘Strangelet production at the (Large Hadron Collider) is therefore less likely than at (Brookhaven’s Relativistic Heavy Ion Collider), and experience there (at RHIC) has already validated the arguments that strangelets cannot be produced.’

In 2008, the (Large Hadron Collider) Safety Assessment Group (LSAG) produced a report claiming that: ‘The previous argument about the impossibility to produce strangelets at the (Large Hadron Collider) are confirmed.’ [\\_20](#)

Everything’s ok. CERN is not trying to produce “strangelets.” Nothing to see here. Move along. Right?

Wrong, for according to Penrose, the Large Hadron Collider had planned projects for the *detection* of strangelets, thus indicating that it was tacitly acknowledging the possibility, however small, that they might be produced in its particle beam collisions:

But it can now be shown that claims in the safety report about the non-production of strangelets—are in clear contradiction with two experiments research projects for the (Large Hadron Collider). Theoretical or technical articles, presentations and online material relating to (Large Hadron Collider) detector work have been identified, stating that the production of strangelets is either a likely prospect or a serious possibility at the (Large Hadron Collider)...(Two Large Hadron Collider Safety Assessment Group) members—including its

chair—have been involved with the Large Hadron Collider Committee, and the minutes from that committee’s meetings imply their familiarity with these CERN strangelet detection projects. In 1996 the later (Large Hadron Collider Safety Assessment Group’s) chair was a referee assigned to the ALICE detector that was associated at that time with both these projects when they were proposals. In fact, four out of five of the of the (Large Hadron Collider Safety Assessment Group) report authors for the final version, were at that time members of CERN’s Theory Division.

One of these projects is in fact a self-contained detector subsystem that is presently installed and operational as part of one of the (Large Hadron Collider’s) four main detector systems—the Compact Muon Solenoid (CMS). This detector is called CASTOR, short for ‘Centauro And Strange Object Research.’ Another strangelet search project is associated with the ALICE detector.

...It is not claimed here that these researchers state that there are dangers, nevertheless, the bases for CERN’s remaining safety assurances are also shown to be doubted or contradicted by the published statements of model projections of several physicists.[\\_21](#)

It should be noted that Penrose’s article includes a detailed table, plus screen-capture exhibits documenting his allegations.

Here the mystery deepens yet again, however, for when one searches for the alleged CASTOR strangelet detector experiment on CERN’s site, one discovers that there *is* a project with the acronym CASTOR, but according to CERN, it stands for “Cern Advanced STORage manager,” which is “a hierarchical storage management system which was developed at CERN for managing physics data files.”[\\_22](#)

Apparently Penrose ran into this difficulty as well, for in his article, he makes a rather curious statement about it:

Without prior knowledge of this detector, information about it from CERN would only be traced with difficulty, from within the extended resources of the ‘CERN Document Server’ or deep within the CMS(Compact Muon Solenoid) website (such as with the results within



the newsletter archives of CMS Times—or from the CMS website for CASTOR that is given a reference from an article.<sup>23</sup>

Let us assume for the moment and for the sake of argument that *both* versions of the meaning of the CASTOR acronym—“Cern Advanced STORage manager” and “Centauro And Strange Object Research”—are true, and that the latter meaning denotes some hidden or secret detector system embedded within the Compact Muon Solenoid (CMS) detector at the Collider.

What might this dual-use of one acronym mean?

One clear possible implication is that one project, a hidden and covert one to detect strangelets, thereby admitting the (probabilistically) remote possibility that the Collider will produce them, is nested within a completely different project, one having to do with the management of the truly massive amounts of data that the Large Hadron Collider will produce. Bear this connection between data management and the possibility of secret projects nested or disguised within the public ones in mind, for it will bear fruit later in this chapter.

For the moment, however, consider the other implication of this possibility, namely, that by organizing a *detection* experiment, and paying for the costly detection equipment with which to perform and observe such an experiment, CERN is admitting that it might not only produce them, but with the covert project implication, that it might actually be *attempting* to produce them.

At this juncture, we return once again to Prof. Dr. Otto Roessler, whom we encountered earlier in conjunction with lawsuits brought before German courts to delay the Large Hadron Collider from coming online before a more objective safety committee could review the whole project. After all, being reassured of the safety of a device solely by the very people involved in its construction, maintenance, and operation it would seem, in the realm of jurisprudence at least, to be a conflict of interest.

Under Roessler’s influence, other people, among them Eric Penrose as we have seen, began to examine the Collider, and for some, the mere possibility—even if vanishingly small from a statistical point of view—of the production of strangelets or quark-gluon condensates, meant that the CERN machine was a kind of “super-quark cannon” whose circular path



allowed a “muzzle velocity” (to extend the cannon analogy) near light velocity, allowing protons and heavy ions to be collided at tremendous energies after being whirled around in the Collider’s enormous magnetic fields (about which, more later in this chapter). Thus, the Collider is really a *machine of planetary scale, effect, and influence*, for by colliding particle beams *each* of which contain protons (or, worse, heavy lead ions) zipping along at nearly the velocity of light, means, according to these theorists, that they are

Essentially equivalent to the ‘singularity’ of a Kerr black hole—a rotating c-speed charged ring of mass. Since a Kerr singularity can produce transversal gravitational waves, the (Large Hadron Collider) might produce perpendicular gravitational waves that will sink straight towards the center of the Earth... If so these Gravitational waves, which are undetectable, will affect magnetic fields, provoking earthquakes waves and increase volcano activity.<sup>[24](#)</sup>

According to these conspiracy theorists, such earthquakes will increase in magnitude and quantity, eventually reaching 8 and even 9 on the Richter scale. In short, the public face of the project—a huge experiment in particle physics and quantum mechanics—masks a hidden project, one having little to do with particles and everything to do with gravity and the creation of potentially world-destroying matter.<sup>[25](#)</sup>

All this, the theorists point out, is taking place in a Collider with energy collisions first in the 7 tera-electron-volt, with plans for collisions in the 15 tera-electron-volt energy range. And if all this be true of the *current* Large Hadron Collider with its twenty-seven kilometer circumference, imagine what might happen once CERN builds its planned *one hundred kilometer circumference* Collider that will produce particle beam collisions in the 100 tera-electron-volt range!<sup>[26](#)</sup> And as if all *that* were not enough, prominent CERN Large Hadron Collider project member nation Germany, the largest financial contributor to the project,<sup>[27](#)</sup> has announced its plans to build its FAIR collider (Facility for Antiproton and Ion Research), in Darmstadt, with cooperation from France, the United Kingdom, Russia, and India.<sup>[28](#)</sup> Antiprotons are the antimatter equivalent of protons, and matter-antimatter reactions are *total annihilation* reactions, producing enormous amounts of

energy per collision. Could one consequently be looking at projects whose true and covert purpose is a military one, one designed to produce the ultimate explosives, far beyond the energy production of the fusion reactions of hydrogen bombs that are produced by the colliding nuclei of heavy hydrogen and lithium? [29](#)

## *B. Deeper Persisting Patterns and Contexts: Finance and Physics*

### *1. An Ancient and Modern Example of a Pattern*

To answer this question, we must consider the larger context of the Collider not only with the pattern of the European Union and its projects, but the financial and corporate cartels that have been examined in previous chapters, that is to say, we must situate the Collider within a much larger *historical* pattern, one stretching back to ancient times, and manifest in much more detail during the Nazi period. In ancient times the connection between the high financial power, religion, and technological projects was clear, for according to some, ancient temples might have operated as simple radio resonant cavities capable of sending and receiving telegraphy, and the temples also functioned as centers of financial activity. [30](#) More recently, the alignment between the high financial power, in the form of the House of Morgan, and advanced technology, in the form of Nikola Tesla's Wardencllyffe project for the wireless transmission of power, and its potential weaponization possibilities, are well known. [31](#)

### *2. Working in Monstrous Areas of Physics on a Daily Basis:*

#### *a. The Nazi Context*

There is, however, a pattern much closer to the Collider, and that is the pattern of fascist doctrine and organization networked with, and hiding behind and within, large corporate and cartel structures, a nexus first disclosed in the 1944 secret meeting between high ranking Nazi Party officials and German industrialists at the Hotel *Maison Rouge* meeting Strasbourg, France, in 1944, and continued, as we have seen in previous chapters, after the war. [32](#) Viewed differently, the limited sovereignty and status granted to corporations in most systems of Western jurisprudence,

allowed them to be used by fascist groups, including the Nazi party, as a means to preserve their own sovereign status. The large cartels of interwar German capitalism with their huge base of capitalization, their international extent and their global reach into all aspects of their industries via patents and licensing agreements, made those cartels and corporations the perfect host organisms by which fascist ideologies and parties could not only survive, but flourish and grow, even to the point of the postwar continuation of secret Nazi advanced technology research projects, such as Dr. Ronald Richter's "fusion" project in Peronist Argentina.<sup>33</sup>

Nor was Richter's project an isolated phenomenon. Author and Nazi researcher Peter Levenda has recently pointed out that the notorious Nazi colony in Chile, *Cologna Dignidad*, was involved in the research and manufacture of chemical weapons of mass destruction, such as Sarin gas.<sup>34</sup> While the infamous colony was ostensibly closed down years ago by the Chilean government in response to increasing global attention to the colony, the physical plant nonetheless survives, as does a curious corporate structure now engaged in the construction and operation of an amusement park! Given the "Hotel *Maison Rouge* Pattern" of utilizing corporations and cartels as the vehicle for the survival of party ideology, organization, and goals, one does have to entertain the possibility that the colony simply assumed a new front, and new management.

#### *b. The Kammlerstab*

Yet another pattern lurks in the general historical context, one which perhaps holds much more potential significance for the present subject under consideration than would first appear. Shortly after the Nazi annexation of Bohemia-Moravia, the entire region was made a *Reichprotektorat* and placed under the jurisdiction of the SS in the form of one of its most notorious killers, *Obergruppenführer* Reinhard Heydrich. Within this SS preserve, there were further circles of security, all of them surrounding a super-secret organization called the *Kammlerstab*, the "Kammler Staff." This entity was housed within the engineering division of the world-famous Skoda armaments works in Pilsen. What Krupp was to Germany in the First World War, Skoda was to Austria-Hungary. This special SS staff was a research staff coordinating all aspects of secret weapons research within the Third Reich, from its advanced aircraft and

missile projects, stealthy submarines and materials research, acoustic torpedoes, lasers, nuclear and thermonuclear research from the atom bomb to an even more secret project known as the Bell, researching thermonuclear plasma research having possible applications in everything from engineering the vacuum flux or zero point energy, to anti-gravity.

All of this was coordinated by one man behind a triple belt of Gestapo counter-intelligence security, SS *Obergruppenführer* Hans Kammler. In effect, Kammler had established a super-secret weapons “think tank,” the Nazi equivalent of the Defense Advance Projects Research Agency in the U.S.A. Nor does it stretch the bounds of possibility to suspect that the *Kammlerstab* had an influence on the organization and mission brief of the postwar American black advanced projects think tank. This “exotic technology secret weapons think tank” even circulated a private top secret journal of all the scientists’ and technicians’ research papers to each other, allowing them to brainstorm the outlines of the technology tree to second and third generations weapons systems. In addition to this, Kammler was also in charge of the entire SS Building and Works Department, and as such, had immediate jurisdiction within gruesome network of Nazi Germany’s concentration camps and the vast pool of millions of slave laborers available in them.<sup>[35](#)</sup> As I have argued elsewhere, this interface of advanced technology research with the SS system of concentration camps tells us something quite important about the *Kammlerstab*, for it could tap into a virtually inexhaustible supply of slave labor that could be permanently terminated with impunity once its usefulness was over. This was nowhere more in evidence than at the huge IG Farben “buna” plant at Auschwitz, a plant that others have argued elsewhere may have been in part a plant for the enrichment of nuclear isotopes.<sup>[36](#)</sup>

Consequently, if one looks at this picture from the standpoint of the patterns evident in the previous chapters, an unusual outline begins to emerge, for one has:

- 1) The disguising of super-secret projects within the public front of the engineering division of an internationally renowned armaments manufacturer, Skoda;
- 2) A huge component of “civil engineering” being coordinated by the same entity, building the massive underground structures and

factories for the Nazi-cartel empire, the SS Building and Works Department. Indeed, one may view the *Kammlerstab* as a “secret weapons cartel” in and of itself;

- 3)A secret “journal” or “magazine” circulating the secret papers and research of the scientists and technicians within the *Kammlerstab*, that is to say, *a mechanism was put into place to control and orchestrate the flow of data within the various projects coordinated by the Kammlerstab*; and finally,
- 4)A triple belt of Gestapo counter-intelligence security surrounds the whole entity, which like all such counter intelligence security operations, would have made use of techniques of disinformation to spin any public perceptions of the entity, and to spin the interpretation of any leaked data, if and when that arose.

There is more, however, and with this component, one has a final bit of the pattern.

After the war, a British intelligence agent managed to penetrate just a little into the black projects and exotic technology world of the *Kammlerstab*. This individual informed German researchers that there had been a team of scientists and technicians within the Kammler’s secret weapons empire that were working “in a field that was monstrous on a daily basis,” in areas the normal public would view as “unthinkable and unbelievable, and thus imaginary,” because this monstrous field had “totally abandoned conventional physical laws.”<sup>37</sup> Whatever this “monstrous” area that “totally abandoned conventional physical laws” may have been, the implication of the allegations is that this team was working on something with truly global or cosmic potentialities for destruction, a kind of Dr. Strangelove Doomsday device. After all, Kammler’s group was a secret *weapons* group. One may thus add a fifth component:

- 5)At the deepest level of security within Kammler’s group, behind all the other secret projects involving missiles, lasers, nuclear and thermonuclear research, there is some group working on something with possibly global or cosmic weaponization potential.

With the DARPA-esque pattern of the *Kammlerstab* in hand, we must now consider one final, highly technological component, one that very clearly

became connected to the highest echelons of wartime and postwar technological research: the work of Hungarian electrical engineering genius, Gabriel Kron.

### *c. Another Necessary Look at Gabriel Kron*

CERN's Large Hadron Collider is a gigantic machine designed to probe the tiniest reaches of the Standard Model of quantum mechanics, and, in doing so, to probe the earliest moments of the cosmological *material prima*, the plasma soup that existed just a few moments after the Big Bang. As such, it is no ordinary electrical machine.

But it is still an electrical machine nonetheless, a machine of other networked and nested electrical machines, all designed to interface in a complex manner to accomplish its stated purposes. As such, it would have been the ultimate playing field for Gabriel Kron's ideas. In essence, Kron developed a system of the analysis of electrical machines that he called "diakoptics," whereby the machine was torn apart into its constituent and simplest components, and these components then analyzed and their equations derived. Once these were derived, the *connections* of the simple components could then be recombined in their original state, and these connections described by the mathematical technique of tensor analysis.

This technique arose in Kron's mind because—as he himself pointed out—the scientist Kirchoff was led to create the mathematical languages of higher order topologies precisely as a result of his study of networked electrical machines.<sup>38</sup> That is to say—and this point cannot be stressed strongly enough—*all electrical machines, without exception, are manifestations of higher dimensional realities*, and no one better appreciated this fact than Gabriel Kron.

Kron's appreciation of this fact led him to develop a universe of bizarre ideas, including the idea that cosmological physics could best be approached from a similar point of view, from that of systems theory, as a vast crystalline-magnetic network of electrical machines which could be understood by higher dimensional topologies, *and then manipulated by those same topologies*.<sup>39</sup> Kron thus understood that a whole field of "quantum characterized crystal computers"<sup>40</sup> beckoned, and at the end of his life was seeking to apply his methods of systems theory and tensor analysis to the construction of a "Generalized Crystal Optics" and "the

hierarchy of self-organizing polyhedral waves” and even a “‘multidimensional generalization’ of the sciences used by electrical engineers.”<sup>41</sup> Not surprisingly, Kron’s concepts were applied to nuclear engineering.<sup>42</sup>

What all of this means is that specific electrical machines were all examples of a Generalized Electrical Machine whose properties were described by the equations of electromagnetics. Specific electrical machines, in mathematical analysis, were but collections “of numerous multi-dimensional spaces connected together into one unit...”<sup>43</sup> There are two enormous consequences of this view.

First, each part, or sub-system of any structure could have its own type of space, for example, different parts might be concerned with different kinds of energy. Secondly, the inter-connections could be broken, leaving isolated sub-spaces, without causing the space structure as a whole, to collapse.<sup>44</sup>

Thus, Kron’s method of applying higher order topologies to electrical machines meant that the “generalized electrical machine” was the elementary component which, via tensor analysis, could be combined to create any type of machine one wished, and this machine, as a result, was a *network of connected multidimensional spaces* connected by an electrical machine in the “real three-dimensional world.” Vary some of those components, such as voltage or amperage—or, in the case of the Collider—the collision energies of various particles (which are, in the mathematical descriptions of quantum mechanics, their *own* kind of extremely tiny “electrical” machines), and one varies the multi-dimensional spaces connected in and by the machine. Viewed in this “Kronian” fashion, the focus—which in the case of the conspiracy theories, and the statements of CERN itself is on the *particles and experiments themselves*—shifts from “what are they observing,” the particles, to “what are they observing *with*,” the machine. Here, there are intriguing possibilities, if one wants to read between the lines.

### *C. CERN’s Large Hadron Collider: The Machine of the Cosmology Cartel*



## *1. Preliminary Observations*

The religious language with which some have eulogized, and some excoriated, the Collider points out one of one of those very obvious things whose potential significance may not be immediately apparent until someone points out that obviousness. That obviousness may in its turn be elucidated by asking a series of simple questions:

- 1)Where is a complete master list of all the contractors who built each component of the Collider and its detectors, and how much did each cost?
- 2)Where is a complete master list of all the scientists who have contributed papers to the project, or been involved in some aspect of its planning, implementation, and ongoing experimentation and analysis?
- 3)Where is a complete master list of all the technicians and engineers who have been involved in the design and planning of the project? Whose names, so to speak, appear on the blueprints of its components?

Occasionally one can discover articles on this or that component of the Collider and of its cost, journey, and installation into the machine. But comprehensive details—even comprehensive summaries—are curiously rare, and those that *do* exist are curiously devoid of details.

By the best estimations, the cost of the Collider, when all was said and done, was somewhere between 6 and 6½ billion dollars, and this fact raises yet another one of those obvious questions, for such expenditures are more typical of military projects, than simply of a project to collect the quantum-mechanical equivalent of butterflies and pin them to a taxonomical chart. Such considerations may even rationalize one reason why the Collider is eulogized in such glowing terms by many in the scientific community, for how better to divert attention from noticing this uncomfortable resemblance between the large scale cost of the Collider and military expenditures than to cast it in the evocative language of religion? The Collider is a modern cathedral, no further inquiry or speculation needed.

## *2. The International Physics Equivalent of the Bank of International Settlements*

Digging into what financial and management arrangements *are* publicly available, however, is particularly revealing, especially when considered in the context of the previous chapters of this book. It should come as no surprise, for example, that the largest single national contributor to CERN is Germany.<sup>45</sup> The United Kingdom, similarly, is another large contributor, and these two nations successfully implemented changes in the management of the Collider so that CERN council voting procedures were changed to require double majorities, giving “more weight to the large contributors so that they could keep control.”<sup>46</sup> Consequently, whatever the religious eulogizing rhetoric of international scientific cooperation might be regarding CERN and its Collider, the financial and political reality behind that rhetoric is something very different: the major European powers, the U.K., France, Germany, Italy, are very much in control.

But there is one consideration above all others that indicates there may be much more to the Collider project and the possibilities of hidden or covert purposes for it, than meets the eye:

As an international organization, CERN is not a legal entity under national law but governed by public international law, The Member States have recognized the international status of CERN (via Host state Agreements with Switzerland and France, and a Protocol on Privileges and Immunities with the other member states). *These agreements ensure that CERN benefits from immunity from national jurisdiction and execution.* Thus, legal disputes between CERN and its suppliers and contractors are not submitted to national courts but solved via international arbitration. *They also enable CERN to function without interference by individual Member States and guarantee independence from national authorities. For our discussion this means that CERN is thus entitled to establish its own internal rules necessary for its proper functioning, such as the rules under which it purchases equipment and services.*<sup>47</sup>

This cannot be pondered too long, for the implications are clear:

- 1) CERN is an international sovereign entity, much like the Bank of International Settlements, for like the bank, it was constructed by

international agreement of “member states” certain of whom carry more “weight” in the system than others;

2) Like the Bank of International Settlements, CERN is immune from individual national oversight and can “establish its own internal rules necessary for its proper functioning,” especially concerning “the rules under which it purchases equipment and services.”

a) This point means that it is entirely possible that CERN could run a hidden project within the public one, for in effect the grant of sovereign status means that it is a “quantum mechanics” or “cosmology cartel,” answerable to no one. This type of financial organization is the *sine qua non* of secret military projects;

b) Additionally, consideration of these cartel-like arrangements, plus the international “sovereign” status of the Collider, and a comparison with the Bank of International Settlements means, in effect, that the Collider organization *is its own “bank,”* and in this it symbolizes almost perfectly that pattern, persistent from ancient times, of the close alignment and alliance of the financial power with the “metaphysical,” “religious,” or “cosmological” one. CERN, and its Collider, are the BIS of particle physics, a veritable cosmology cartel;

c) Thus, one also finds the reason that the various court cases in various countries that were brought to *halt* the Collider from being “switched on” were doomed to fail, since national courts had no jurisdiction whatsoever over the Collider, and therefore those bringing the suits had no standing before the courts to do so. <sup>48</sup> Indeed, in an *international* court suit they probably would not have legal standing to do so either, since as citizens of individual nations, and not “citizen-scientists” of the Collider experiment itself, they again fall outside the relevant jurisdiction.

Under these circumstances, it should be clear that the *possibility* exists for a covert project behind the public one.

#### *a. CERN’s Procurement Procedures*

If this connection between the Collider as a “cosmology cartel” and *bank* seems contrived, a closer look at its procurement procedures reveals the bank, or more accurately the *trust*, that is carefully concealed and squatting right in the middle of the whole project. As planning for the Collider proceeded throughout the 1990s, it quickly became clear that deficits in the budget for the Collider’s huge, and hugely expensive, magnets and detectors, would have to be financed by loans, and this required that CERN be able to take out loans.<sup>[49](#)</sup>

As always, the crucial factor for investors, was minimization of risk to the suppliers contracting to build its various components,<sup>[50](#)</sup> and with such a complex instrument as the Collider, clear and streamlined procurement procedures were thus as essential to the project’s success as were precise calculations and precise engineering. The key risk factor for potential suppliers building the complex components of the machine was due simply to the fact that “significant technologies, production methods and instruments did not yet exist at the starting time of the project.”<sup>[51](#)</sup> In addition to this, the project financing also “had to take national interests into account and ensure a fair industrial return to the Member States.”<sup>[52](#)</sup>

The ability to take out loans and write its own procurement procedures in order to minimize risks to its suppliers, coupled with the “sovereign” status as an international organization means in effect that CERN is, to some extent, its own central bank and trust which, like the BIS, is backed by the central banks of its member states.

#### *b. The Disturbing Similarity of CERN’s Procurement Procedures to the Exchange Rate Mechanism*

Nothing underscores the point that CERN becomes a kind of “central bank and trust for particle physics” than the peculiar procedures that were designed to minimize these risks to suppliers, and to provide returns to the member states. In December of 1993, a finance working group within CERN:

submitted a report with a set of proposals that were unanimously approved by the Council after recommendation by the Finance Committee. The most important elements of the new procurement procedures were as follows:

1. The goals of the general procurement policy were defined to be threefold:
  - To ensure that bids fulfill all the necessary technical, financial and delivery requirements;
  - to keep overall costs for CERN as low as possible;
  - *to achieve well balanced industrial return **coefficients for all the member States.***
2. All CERN contracts were to be divided into two separate classes—supply contracts and industrial service contracts.
3. *National interests would be **protected by a system of target return coefficients, defined for both supply contracts...and industrial services contracts....***
4. For the purposes of adjudication of supply contracts/industrial services contracts, *a Member State was to be considered poorly balanced if its supply contract/industrial service contract return coefficient fell below 0.8 and 0.4 respectively, well balanced if it was equal to or greater than the value.*
5. For contracts exceeding 200,000 Swiss francs in value, *CERN was to apply alignment rules which, under certain well-defined conditions, allowed a bidder offering goods/services originating in poorly balanced Member States to align his price to that of the lowest bidder and thereby be awarded the contract, provided that the bid with the realigned price complied with all the stipulated requirements.* [53](#)

These procedures so *strongly* resemble the Exchange Rate Mechanism that manipulated the value of European nations' currencies via a peg to the Deutschmark and pre-established exchange rate fluctuations, that one can only wonder if in fact the Exchange Rate Mechanism and the Collider planning were not intentionally connected at some deep and covert level, symbolizing yet another instance of the pattern of the connection of finance and physics. Indeed, if one does *not* see the resemblance between the Exchange Rate Mechanism and the CERN procurement procedures, then all one has to do is to substitute the words “currency” and “currencies” for “goods” and “services” in the above quotation, and the similarity becomes immediately evident.

### 3. *The Stated Purposes of the Large Hadron Collider*

So what exactly is the Collider, and what are its ostensible purposes?

The Collider itself, as most people know, is a ring of some 17 miles (27 kilometers) circumference in which two beams of heavy particles, in this case protons, members of the heavy particle family along with neutrons called “hadrons,” are spun in opposite directions in two beams around the track, and then collided at various points around the ring, at which are placed very sophisticated “cameras” or detectors which then “photograph” the debris from the collisions. Why these “photographs” are important will be discussed subsequently. The Collider, however, is the *last* in a series of *five* accelerators which, linked together, accelerate the proton beam to higher and higher energies and acceleration until they are injected into the Collider itself for final acceleration, and then collision. What enables these protons to achieve this high acceleration by the surrounding magnets is the phenomenon of superconductivity, wherein a rotating electrical current in a medium cooled to near absolute zero, encounters no electrical resistance and hence, no losses to power. The magnets of the Collider are cooled by 130 *tons* of liquid helium.<sup>[54](#)</sup> For those paying attention, one now has two of the functional elements of the Nazi Bell experiment: counter-rotation, and cryogenic cooling for superconductivity.<sup>[55](#)</sup> The magnets providing all this energy are 1,800 super-conducting “twin-aperture main dipole and quadrupole magnets,” and these magnets amounted to “approximately 50% of the value” of the Collider itself.<sup>[56](#)</sup>

The purpose for all this technology is, in part, to investigate the matter-antimatter asymmetry in the “LHCb “detector”, about which more momentarily.<sup>[57](#)</sup> Additionally, however, it is admitted that

By colliding beams of lead ions, the LHC will be able to produce a state of matter that only existed a few millionths of a second after the big bang. *The properties of the so-called quark-gluon plasma can be studied in detail in the specially built ALICE detector* (an acronym for A Large Ion Collider Experiment)....<sup>[58](#)</sup>

The quark-gluon plasma or “strangelets” were, of course, at the center of the concerns of “conspiracy theories,” so now one has an intriguing picture, for at one point, the search for such things was being *denied*, then that

changed from vanishingly low to zero probability for the sake of public relations, but now, in a review of the Collider, it is admitted that there is an active *search* for their creation by the ALICE detector!

But this is not all.

It is also admitted that the Collider will look for particles of so-called “dark matter,” *and for evidence of a new or different physics beyond that of the Standard Model*, <sup>59</sup> including *extra dimensions*, <sup>60</sup> a point that will become quite significant to our own extremely speculative hypothesis of what might be going on with the Collider.

With these specific purposes in mind, then the overall ostensible purpose of the Collider becomes clear:

The fundamental scientific purpose of the (Large Hadron Collider) is to explore the inner structure of matter and the forces that govern its behavior, and thereby understand better the present content of the Universe and its evolution since the Big Bang, and possibly into the future.... It will be a microscope able to explore the inner structure of matter on scales an order of magnitude smaller than any previous collider. The energies involved in these proton-proton collisions will be similar to those in particle collisions in the first trillionth of a second in the history of the Universe. By studying these processes in the laboratory, the LHC experiments will, in a sense, be looking further back into time than is possible with any telescope.<sup>61</sup>

In other words, the fundamental purpose of the Collider is cosmological, it is to give an insight into the structures of the universe, including the matter-antimatter asymmetry, the creation and observation of strangelets, hyperdimensional spaces, and so on. And when insight comes, manipulation comes not far behind.

#### *4. The Proton Path and the Detectors*

##### *a. A Brief Summary of the Standard Model*

In order to understand these ostensible purposes of the Collider, one must have a basic grasp of some aspects of the Standard Model of quantum mechanics, and then of the various sub-systems of the Collider itself,



breaking it down into its components in a manner similar to Kron's "diakoptics."

The first and most important point to understand is that the particles of the Standard Model—quarks, gluons, and such—are less particles in the standard "billiard ball" sense, than they are sets of "information" or attributes that are all described mathematically. Within these mathematical descriptions, the Standard Model has two types of fundamental particles, leptons, and hadrons. Leptons are the relatively "massless" particles whose mass is very very small, such as the electron and electron neutrino (and, of course, when one brings into the picture their antimatter opposites, the positron, which has not a negative charge, but a positive one, but the same mass as an electron). Hadrons are much heavier particles, like the proton, but these are composed, according to the model, of further "sub-particles" called quarks.

Crucial to the theory that hadrons were in their turn composed of other smaller particles called quarks, was the insight of physicist De Broglie, who argued that if energy in the form of light could be viewed as both a wave and a particle, then matter itself might be viewed as both a particle and a wave. As accelerators grew in power and sophistication, and as collisions yielded ever more and more new types of debris, atomic physics entered a period of philosophical perturbation in the late 1960s, for by then it had become clear that "protons and neutrons must harbor smaller-scale structures."<sup>62</sup> Into this situation stepped physicist Murray Gell-Mann, who argued that hadrons, i.e., protons and neutrons, were each composed of three "quarks." These "quarks" in turn came in three types, "up," "down," and "strange." Additionally, Gell-Mann proposed that they had *fractional* charges. The "up" quark had a charge of  $2/3$ , and the "down" and "strange" quarks each had a charge of  $-1/3$ . Since hadrons always come in groups of three quarks each, the proton had to have two up quarks and one down, giving a charge of  $2/3+2/3-1/3 = 1$ , and the neutron had to have one up quark and two down quarks, giving a charge of  $2/3 -1/3-1/3=0$ .<sup>63</sup> All of this, physicists reasoned, was held together by "force mediating" particles within the nucleus that functioned much like the quantized force mediating particle in electrodynamics, the photon. These force mediating particles are called "gluons." Thus, when the Collider is colliding protons, what it is

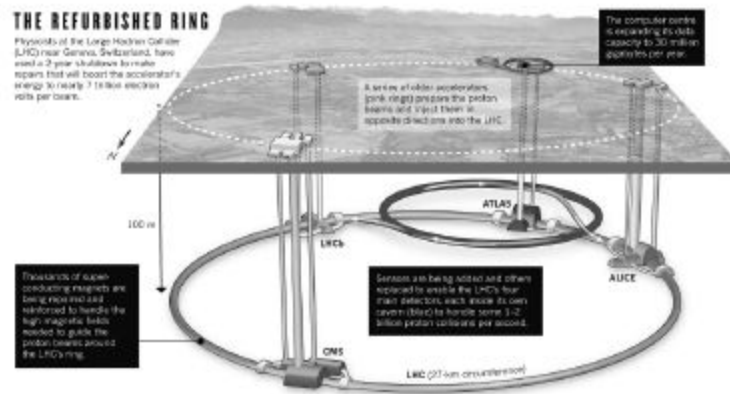
really colliding—according to the theory—are the quarks and gluons that make up protons.<sup>64</sup>

### *b. The Proton Path and the Structure of the Collider*

The Collider itself consists of four basic systems each designed to integrate with each other, and each performing certain individual tasks. These are (1) the accelerator system itself, with which we shall be momentarily concerned, (2) the proton beam confinement and focusing systems, i.e., the powerful magnets of the Collider, (3) the massive detectors to “photograph” the particle collisions, and (4) the huge data processing, filtration, storage, and dissemination system.<sup>65</sup>

Since protons are the only particle in the nucleus of ordinary hydrogen, a hydrogen ion source is used to create the beam of protons. From this source they are then passed to a linear accelerator (LINAC), where the beams is accelerated to an energy of 50 Mega-electron volts (50 MeV). They are then passed to a “booster” accelerator known as a proton synchrotron booster (PSB) where it acquires energies of 1.4 giga-electron volts (GeV). From here the beam is directed to the Proton Synchrotron where it is accelerated to 26 GeV. The beam is then passed to the Super Proton Synchrotron (SPS), with a ring of the diameter of 2.25 kilometers, or about 7 kilometers circumference. From the SPS the beam is injected via two channels down into the Collider itself, where it whirls around in opposite directions until colliding in the various detectors placed around its 27 kilometer circumference.<sup>66</sup>

It is important to note that all of these accelerators are located far underground, with the Super Proton Synchrotron *above* the Collider’s ring, and canted off center. Additionally, the Collider itself is not constructed on the horizontal, but actually varies in depth between 45 and 170 meters, “and lies in a plane that is inclined at 1.4 degrees from the horizontal; and this was done so that the tunnel would lie almost entirely in the Lemman basin *molasse*.”<sup>67</sup> A “molasse” is a geological term denoting a sedimentary deposit of shales and sandstones, which are often quartz bearing or feldspar bearing rocks.



A Diagram of the Relationship of the Super Proton Synchrotron, the dark circle, above and off-center from the Large Hadron Collider, the larger circle underneath. Also visible in the diagram are the LHCb, CMS, ATLAS, and ALICE detectors

The geological contexts, plus the actual physical disposition of the Super Proton Synchrotron above the Collider, and offset from in the vertical plane, will form components of our own very speculative analysis later. For the moment, they are simply pointed out.

### c. The Detectors

All of this would be superfluous, however, if there was no means of detecting and recording what was happening in the beam collisions. This is the task of the four detectors placed around the Collider itself. With these, one is again confronted by an *organizational* structure that presents the possibilities for hidden interests, purposes, and coordination, for while the Collider itself is run by CERN, the detectors fall under the purview of the Large Hadron Collider Experiments Committee “whose job it is to give advice to the CERN management and through it to the Council.” [68](#) However, unlike the rest of the organizational structure, the teams working with and on the detectors are given “considerable independence.” [69](#)

There are perfectly reasonable explanations for this. Since some of the detection experiments have overlapping purposes, this independence guarantees a measure of objectivity in the results being obtained. What might show up as the signature of a particular particle debris in one detector might show up in an entirely different fashion in another, or be absent altogether. Keeping a measure of independence between detectors thus gives the experiments a commensurate objectivity. Yet another reason for this independence is that the detectors are also designed to look for different

things, and have to coordinate with their collaborating institutions “all around the globe.” [70](#)

But by the same token, it is this independence of very tasks, teams, and collaborating institutions that also opens up the possibility that covert projects or agendas could be in play. As will be seen, this possibility is dramatically increased when one considers the data filtration and management system for the project.

The detectors themselves are each probably the most complex systems in the whole Collider super-system. Indeed, their bewitching mandala-like complexity means that most of the photographs one sees in various books or articles about the Collider are not actually pictures of the *Collider*, but of its various *Detectors*. With them, one also again encounters statements of purpose in clear contradiction to CERN’s bland assurances that they are *not* looking for dangerous strangelets. For example, the proposed ALICE detector, which was “a dedicated heavy-ion experiment” designed “to search for and study the *quark-gluon plasma*” received approval in 1997. [71](#) But there are also suggestive hints that scientists are looking for more than the dangerous strangelets:

There are hopes for discoveries that might reveal physics beyond the predictions of the present theory; for instance we might observe signs of supersymmetry or extra dimensions, *the latter potentially requiring the modification of gravity at the Tera-electron volt (TeV) scale*. Overall, the TeV energy scale appears to have special significance; each of the (Large Hadron Collider) experiments is designed to study physics at these energies. [72](#)

Reading between the lines, what is being suggested here is that there are indications of a “new physics,” one involving gravity, at these energy scales, and this suggests that there might have indeed been hidden motivations for, and purposes behind, the construction of the collider.

Two of the Collider’s detectors, ATLAS, standing for “A Toroidal Large hadron collider Apparatus,” and CMS, standing for “Compact Muon Solenoid,” are “general purpose detectors” [73](#), while the LCHb, standing for “Large Hadron Collider beauty experiment,” and ALICE, standing for “A Large Ion Collider Experiment,” are specialty detectors. [74](#)

Since these Detectors are in a sense very sophisticated “cameras,” they are designed with multiple layers of “film,” each layer designed “to perform a specific task, and together they allow identification and precise measurement of the energies of all the particles produced in LHC proton-proton collisions.”<sup>75</sup> These layers, in the ATLAS and CMS detectors, are layered in cylindrical fashion around the beam path where collisions are induced. In the “Compact Muon Solenoid” (CMS) detector, for example, debris particles created from collisions will first pass through a system of finely granulated silicon (we will explain the reasons for this fine granulation in a moment), then through an electromagnetic calorimeter, then a hadron calorimeter, then a super-conducting solenoid, and finally through several layers of iron alternating with muon chambers.<sup>76</sup>

The fine granulation or pixilation of the silicon “film” (or of whatever material is being used as the “film” in various detectors), must be fine and multilayered *to allow the tracking of the paths of the debris particles three-dimensionally* through the grid of “pixels” or “grains.” The finer the grain or “grid,” the more accurate the “photograph” of the path will be. For example, in the electromagnetic calorimeter layer of the CMS detector, the “film” consists of square-shaped rods of lead-tungstate crystals, whose lattice structures respond to the smallest energy oscillations of any particles passing through them. Assembled in a “grid” of such crystals allows the energy displacements to be recorded, and hence the path of the particle to be tracked.<sup>77</sup> Thus, each of the Detectors are huge “100-mega-pixel 3-D cameras.”<sup>78</sup> Given the multiple layering and heavy components of the four detectors, they are extraordinarily heavy and expensive. The Compact Muon Solenoid Detector weighs in at 14,000 tons, and each of the four detectors is capable of taking over 40 *million* of its three dimensional “particle path pictures” *per second*.<sup>79</sup> Obviously, this means that the Collider’s Detectors are generating a *massive* amount of data every day, posing new challenges for its storage, selection, and dissemination, a point to which we shall eventually return.

Given the enormous energies coursing through each detector as these millions of particles track through their layers having their “pictures” taken, all electronics within them must be radiation hardened.<sup>80</sup> In addition, the magnetic fields of each Detector are enormous (not to mention those of the Collider itself!). The Compact Muon Solenoid (CMS) has a magnetic field

strength of 4 Teslas,<sup>81</sup> and the ALICE detector has a solenoid magnet “capable of generating a field strength of 0.7 (Teslas). *For comparison, this is about 15,000 times the field strength of the Earth’s magnetic field.*”<sup>82</sup>

### *(1) The ATLAS and CMS Detectors*

As previously noted, the ATLAS (A Large Toroidal Lhc ApparatuS) and CMS (Compact Muon Solenoid) are general purpose detectors, with the ATLAS delivering an overall field strength of 2 Teslas.<sup>83</sup> By searching for meson decays of “bottom quarks” the ATLAS and CMS detectors will be tasked, in part, to explore “the physics of matter and antimatter,”<sup>84</sup> and in addition “be able to distinguish between real extra dimensions and their supersymmetric imitators.”<sup>85</sup>

### *(2) The ALICE Detector*

The ALICE detector (A Large Ion Collider Experiment) is one of two “specialty” detectors, designed to test the “behavior of the primordial plasma” by using “one of the most exciting new theoretical approaches” that are “borrowed from string theory, which relate the strongly-interacting plasma just above the transition temperature to a weakly-interacting gravitational system in five dimensions.”<sup>86</sup> ALICE will do this by observing the collisions of lead ions that are accelerated in the Collider. The energies of these collisions exceed those of protons by two orders of magnitude, and thus the ions undergoing such collisions heat up “to a temperature 100,000 times higher than the temperature in the core of our sun.” As a result of this, “Nuclei and nucleon melt into their elementary constituents, quarks and gluons, to form for a brief instant the primordial matter that filled the universe until a few microseconds after the Big Bang.”<sup>87</sup> This reaction zone will then expand at a velocity close to that of light, and in doing so, cool down and coalesce back into various “ordinary, composite matter particles.”<sup>88</sup> In doing so, the ALICE detector will be attempting a kind of alchemy, to reconstruct on a very tiny scale, “the primordial matter of the universe,”<sup>89</sup> a search that was first begun at the Brookhaven National Laboratory in the USA.

The detector itself is yet another marvel of technology.



ALICE is usually referred to as one of the small detectors, but the meaning of “small” is very relative in the context of (the) LHC: The detector stands 16 meters tall, is 16-m wide, and 26-m long, and weighs in at approximately 10,000 tons, It has been designed and built over almost two decades by a collaboration of over 1000 scientists and engineers from more than 100 Institutes in some 30 different countries. The experiment consists of 17 different detection systems, each with its own specific technology choice and design constraints.

...It consists of a central part, which measures hadrons, electrons, and photons, and a forward single-arm spectrometer that focuses on muon detection. The central ‘barrel’ part covers the direction perpendicular to the beam from 45° to 135° and is located inside a huge solenoid magnet, which was built in the 1980s for the L3 experiment at CERN’s (Large Electron-Positron) accelerator. As a warm resistive magnet, the maximum field at the nominal power of 4 MW reaches 0.5 (Teslas). The central barrel contains a set of tracking detectors, which record the momentum of the charged particles by measuring their curved path inside the magnetic field. These tracks are then identified according to mass and particle type by a set of particle identification detectors, followed by two types of electromagnetic calorimeters for photon and jet measurements. [90](#)

Once again, The ALICE detector will produce millions of pictures per second from the vast numbers of collisions taking place within its powerful magnetic field.

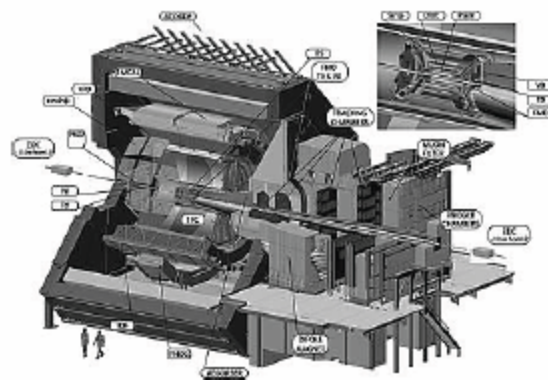
Like the other detectors, ALICE is actually a layered system of “films” of other detection systems. And curiously, ALICE contains two *special* detectors that are highly suggestive that looking for primordial soup and extra dimensions are not the only purposes for the machine. One of these detectors is the “Time Projection Chamber,” or TPC whose purpose us to “disentangle the dense web of particle tracks in heavy ion reactions.” [91](#)

The other specialized detection unit within ALICE is the High Momentum Particle Identification Detector(HMPH). The description of this device is worth citing at length:



The evolution of another method, to which many groups have contributed over the past 30 years, was pushed to new levels of performance: the *Cherenkov detector*. If, while traversing a medium (e.g., a gas or liquid), particles move at a speed that exceed the speed of light, the particles excite the medium to emit *Cherenkov light*, named after the discoverer of this phenomenon. This light is emitted at a certain characteristic angle, determined by the velocity of the particle and the refractive index of the medium. By detecting the very faint light and its direction, the velocity can be determined, which allows deducing the mass, and hence the type, of the particle.<sup>92</sup>

Put differently, this is an admission of yet *another* purpose of the Collider, namely, that it is looking for faster-than-light velocity particles, or tachyons.



A Cutaway diagram of CERN's ALICE (A Large Ion Collision Experiment) Detector. The two human figures to the lower left are to scale.

### (3) The LHCb Detector and Experiment

The other specialized detector of the Collider is the LHCb, or “Large Hadron Collider beauty experiment.” The stated purpose for this detector and its experiment is to resolve a fundamental question in physics, namely why the matter-antimatter relationship is asymmetrical, and why there is a preponderance of matter over antimatter, a preponderance that “had already existed after the first milliseconds following the Big Bang.”<sup>93</sup>

One notes already some disturbing potential implications. Assume for the sake of argument that the LHCb matter-antimatter asymmetry experiments *were* to reveal why there is such a discrepancy. Once one

understood this putative mechanism, one might also develop the potential technology to *create* much more antimatter than the miniscule amounts currently produced in accelerators. That putative mechanism might also, by the nature of the case, reveal how more massive amounts of antimatter might be created in a stable condition, and stored over a prolonged time. Learning such things would be the first practical steps in the creation of matter-antimatter reactors, providing enormous amounts of energy and replacing, at a stroke, the current energy system. Such things would also be the first practical steps in the creation of “the ultimate explosive,” and hence, the ultimate bomb, with a planet- or star-busting potential far beyond our most powerful hydrogen bombs.<sup>94</sup>

In other words, one has here a powerful clue that there is possibly more going on with the Collider than is grasped by the public, for the prior two possibilities—a solution to the energy problem, and a hugely destructive military weaponization potential—would justify the massive expenditure for the project, and suggests the possibility of an entirely hidden and secret project within the Collider, shrouded in the public one.

Indeed, if as is often admitted that “the physics goal of the LHCb has shifted from ‘testing of the Standard Model’ to the ‘search for physics beyond the Standard Model,’”<sup>95</sup> then one has an admission that the Collider may be about much more than particle physics in any conventional sense.

Here the reasoning behind this assertion is clear, and the LHCb Detector’s design follows inevitably from it:

The letter “b” in LHCb is a reference to beauty quarks (and their anti-particles), which are constituent (sic) of particles referred to as *B mesons*. Already 20 years ago, it was apparent that the high energy proton-proton collisions of the LHC would produce unprecedented amounts of B mesons, and that should allow us to look indirectly for “physics beyond the Standard Model”...

The energies of the LHC collisions will produce a pair of b and anti-b quarks mostly emitted, mostly in a direction very close to the beam axis; thus, instead of having a quasi-cylindrical geometry—such as ATLAS and CMS—which is optimized for particle detection perpendicular to the beam axis, the geometry of the LHCb resembles that of a reclined pyramid, which the apex located at the collision point. The LHCb experiment’s 4,500-ton

detector has been designed to efficiently detect B mesons produced by those b and anti-b quarks and to study the products of their decays. [96](#)

If one now gathers all the stated and admitted purposes of the Collider and its Detectors, one has quite an intriguing list:

- 1) Some of the experiments are designed to detect particles moving at faster-than-light velocities;
- 2) All of the experiments have in part the goal of discovering a “new physics” beyond the Standard Model;
- 3) The Collider experiments are looking for confirmations of *which* model that “new physics” may take, including the following two options:
  - a) supersymmetry; or (in our opinion the far more interesting)
  - b) confirmations of extra- or hyper-dimensional types of spaces. But, as we have already seen, *conventional* types of electrical networks are already, in Kron’s view, *collections or networks of complex hyper-dimensional spaces, with each subsystem of a machine being its own subspace. Electrical machines, by the geometric parameters of the circuit itself, are already hyper-dimensional spaces on Kron’s view, and so much more so would be the Large Hadron Collider. In other words, create a certain type of hyper-dimensional machine, and one will create certain types of hyper-dimensional effects (particles)*. We shall return to a consideration of this point shortly;
- 4) The Collider is seeking to study (and thus, perhaps seeking to *create*) the “primordial alchemical soup” of the quark-gluon plasma or stranglets, and (as is the case with our speculations on the matter-antimatter asymmetry) such experiments and study might lead to the discovery of a mechanism for its *stable and “industrial scale” production*; and finally,
- 5) The Collider is seeking to elucidate the mechanism behind the matter-antimatter asymmetry; consequently the possibility arises that this mechanism could lead to the “industrial scale” production and containment of antimatter, for energy and weaponization purposes.

These types of considerations and speculations would seem to rationalize, in a more acceptable manner, the vast sums of money that have been lavished on the experiment. It would seem at least *possible* that this expenditure is for more than just collecting “particle butterflies” and pinning them to particle taxonomical charts and genealogies.

### 5. The “Fifth Experiment”: Data Collection and “Filtration”

It is, however, with the massive amounts of *data* that the Collider and its four Detector experiments generate that one encounters the very real possibilities for a hidden project or projects masked within the public ones. It is no accident that with each experiment generating *millions* of pieces of data *per second per day*, that the Collider’s database and management itself dwarfs all other database management problems, save perhaps those of the NSA’s worldwide electronic spying program. It is no accident that many people view CERN’s data management system for the Collider and its experiments as the *fifth* experiment\_97\_ being run by the “cosmology cartel,” which, as we shall now see, is also a cartel *controlling the information and its interpretation* that the Collider generates.

Each LHC experiment will produce about 10 petabytes of data per year (1 PB—1,000,000 GB). This corresponds to about 20 million DVDs. The analysis of this data requires enormous computing power, equivalent to about 100,000 of today’s fastest PC processors. The collaborating institutions are spread all over the world and need access to data locally. In order to address these needs an enormous amount of effort had been put into developing the LHC Computing Grid. The grid infrastructure ties together hundreds of thousands of processors all around the world.\_98

Such a vast international extension and collaboration represents the public face of the Collider project, but it might likewise be the perfect way to “compartmentalize” a secret project within the public one, for such a project would depend *entirely* on having access to data not widely available to its public face. Indeed, it might even be possible that the disparate *public* faces of the experiment might be parts or components of some secret one being coordinated by some hidden body or group.

The closer one looks at the Collider's data management structure, the more this becomes a very distinct possibility. Once one understands that the Collider generates such enormous amounts of data—enough data to fill 100,000 CDs per *second*<sup>[99](#)</sup>— and that this data must be disseminated quickly around the world, one understands not only why CERN and the Collider are the internet's biggest users, but why they to some extent *drove* the creation of the internet.

Obviously, however, such massive amounts of data are simply beyond any supercomputer or data storage system currently available, even the very primitive quantum computers already in existence. Thus, the data to be stored and analyzed *has to be selected by a complex system of "filters" or computer algorithms designed to look for certain types of events **predicted by the theories being tested***<sup>[100](#)</sup>. This process begins with an event "trigger,"<sup>[101](#)</sup> a pre-programmed set of parameters that tells the detectors *which* of the many millions of events get permanently saved, and which do not. There is yet one final aspect of the system of data filtration, collection, storage, and dissemination that has to be noted:

The algorithms required for simulation and processing of the data are very complex; these were developed by specialists working in the different specialty areas of the physics being studied, as well as by experts in the materials and technologies of the different subdetectors. But the factors that differentiate LHC computing from previous high-energy physics experiments, and from most other scientific experiments are

- *the enormous number of physicists and engineers participating actively in data analysis—the CMS experiment alone has more than **three thousand members** —a large fraction of which are involved in algorithm and program development;*
- the widely distributed computer environment; about 100,000 processors installed in 140 computer centers in 35 countries are integrated into the LHC computing grid;
- the huge quantity of data that has to be distributed across the grid and shared by all the members of each experiment.<sup>[102](#)</sup>

In other words, this data management system is not only a *cartel* but a *trust*, owning:

- 1)the means of the generation of the data (i.e., the Collider and its detectors);
- 2)the means of the *analysis* of the data(the computers and scientists); and,
- 3)the means of *programming* the “filtration algorithms” which *select and store* the data to be analyzed by the scientists.

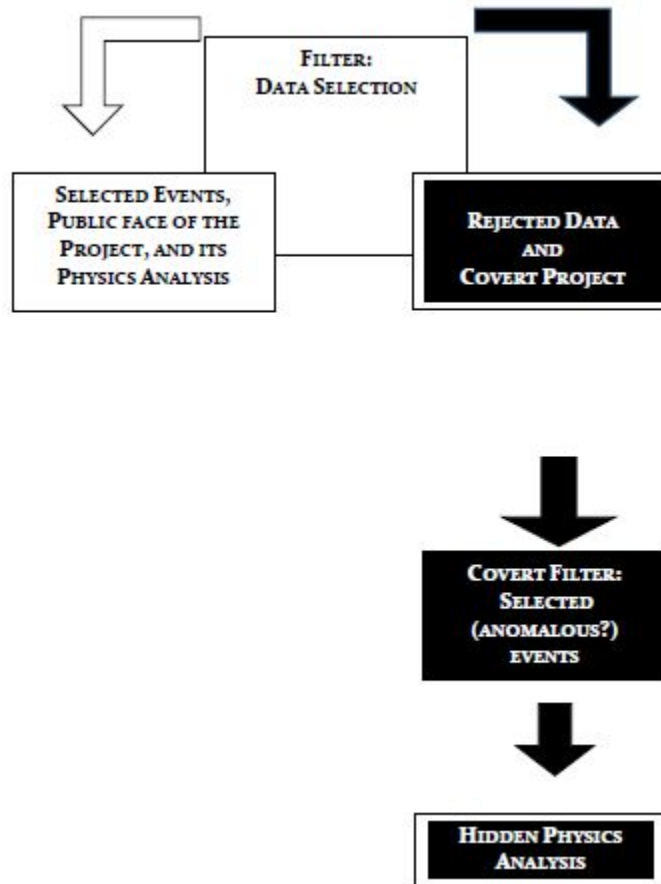
A philosophical question is immediately prompted by this system, for while it is true that *every* scientist “selects” certain data, the signal, from the noise, the programming of such algorithms as “filters” in a certain sense brings home the philosophical conundrum of quantum mechanics with a vengeance, for by looking only for certain *types* of phenomena, only *those* types of phenomena will potentially be found, thus confirming the theory; but also, begging the question! However, given that the Collider is looking for a “new physics” and other things beyond the “Standard Model,” this implies that those “data selection filters” can be modified, or even that *hidden* filters designed to look for very different things might be in place.

This raises the disturbing possibility that a hidden project could exist within the Collider, *not amongst the scientists and engineers performing the experiments but in the data being selected for analysis and interpretation. Notably, given the way the system is described, some of that data—data contradictory to theory perhaps—might never reach the scientists.* We must now consider how this might possibly work.

#### *D. Very Speculative Interpretations and Implications*

##### *1. The Possibilities for a Hidden Project*

By creating a system of data selection filters to select which data gets retained and stored for analysis in the computer grid network, *some data gets “dumped,”* not to be stored anywhere nor analyzed by anyone. It is precisely at this point that the possibilities for a hidden project within the “cosmology cartel” arises:



## 2. Philosophical Problems and Speculations

If one considers just the public face of this potential structure, a number of philosophical questions occur which, while not germane to our very speculative reconstructions which follow in the next section, nevertheless emerge from the previous summary and speculations. Firstly, given that the results of the Collider experiments and its Detectors can only be replicated *by the same kind of equipment, how does one independently verify the results of its experiment from an independent point of view, one not under the control of CERN's "cosmology cartel"*? Secondly, how would one "peer review" a paper whose authors number in the thousands, and do so with people *not* connected to the CERN particle physics community itself? These question highlight the disturbing fact that CERN and its Collider-Detector system is not only a "cosmology cartel," but a "data source and interpretation cartel."

Perhaps such considerations were behind a recent announcement from China that that nation was considering building is own version of the Large



Hadron Collider, or perhaps it is concerned with some of the potential military applications that have been suggested in the previous section that might be lurking behind some of the stated goals of the Collider. [103](#)

### 3. A “Kronian” Speculative Hypothesis

All of this brings us at last to throw caution to the winds, and to outline our extremely speculative hypothesis of what might be going on at the Collider *if one assumes that a secret project or projects might be cloaked within it, like the Kammlerstab inside of the Skoda engineering division, though on a vastly larger scale.* As is by now evident, both the publicly-stated ostensible purposes of the Collider and its experiments, and the various conspiracy theories formulated around them, are both posited on the basis of the Standard Model of quantum mechanics, and thus far, we have steered very closely to the public statements both of the conspiracy theorists, and to statements of the Collider’s scientific and engineering defenders on the basis of that theory.

On Kron’s view, as we have seen, *all electrical* machines, especially networked ones, are collections of “interfaced hyper-dimensional spaces,” whose geometry is manipulated by the circuit parameters themselves. The Collider, being a *quantum* electrical machine utilizing superconductivity and enormous magnetic fields, would seem to fill the requirements for one of Kron’s hyper-dimensional machines, and then some. In other words, if the scientists involved with the Collider are looking for evidence of hyper-dimensionality, they might look *no farther than their own machine*, which might be producing particles *as artifacts of the machine’s own parameters.*

Or, to throw the last smallest bit of remaining caution to the winds, perhaps the Collider was designed to *produce*, rather than *discover*, some of the effects it is looking for. Since in quantum mechanics the “Observer” predetermines the results of experiments even before they have begun, the Observer thus enters into the process of the experiment itself, and becomes, as it were, a co-creator of the very effects he, she (or it), seeks to measure. On this view, the sophisticated Detectors of the Collider become, along with the computers with their data-selecting filters and the scientists interpreting the data, the Observers, and to that extent also the creators, of the effects being sought. On this view, the Collider is something few people

appreciate: it is a complex system of Observers, and, as far as the *human* component is concerned, a *group* observer.

We now throw a few more of the last remaining “quanta of caution” to the winds, and introduce another assumption and indulge in more “fairy tale science.” If these assumptions of quantum mechanics are true, then how would one test any effects of *a multitude of observers, a group observer, on observation?* One would, first, get a tremendous number of people involved, and secondly, record a massive amount of data. One would, in effect, be conducting a series of physics experiments, *and a series of social engineering experiments*, at one and the same time. On this view, the Large Hadron Collider is a complex open system comprised of sub-systems, *of which the participating scientists and engineers are a component part, perhaps unknown to themselves.* On this view, the Collider becomes a gigantic “hyper-dimensional psychotronic machine,” with a public “physics component” and a hidden “social engineering-physics” component. The public component can, moreover, be kept going more or less indefinitely, with the scientists involved chasing ever more refined theories and particles in an ever-more-expensive circle. ***Thus, the machine itself, along with its human “analysts” becomes an “Observer” in the proper quantum mechanical sense, only in this case, the effects being observed—and the real purpose of the experiment on the basis of this “Kronian” speculation—are of a cosmological and macroscopic order to test the extent to which reality can be manipulated by the Observational “complex”—machine, detector, humans—itsself.***

#### 4. An Alternative Analysis

We have proposed that the data management structure of the Collider opens up the distinct possibility for a *hidden* system of data filtration and selection *from the raw data that has been rejected from the public component of the project.* Given the enormous amount of computer code necessary for these filters, it would not be terribly difficult to secretly slip lines of code into the programs to create such hidden filters syphoning off data from the rejected stream, data that might indicate anomalies or alternative types of physical theories not having anything to do with the Standard Model, super-symmetries, extra dimensions, quark-gluon condensates, matter-antimatter asymmetry, and so on.

Indeed, one possible hidden project might be the coordination of Collider data with completely different types of data from other physical systems and phenomena. For example, the conceptual parallels between the Nazi Bell and the Collider have been noted: (1) counter rotation, (2) massive electrical fields, (3) cryogenic cooling and reliance upon superconductivity to achieve high energy, and, (4) in the Collider's case, the canted arrangement of the Super Proton Synchrotron and the Collider itself might induce "precessional wobbles" or a "torsion-twist" in their interacting magnetic fields and hence manifest themselves as gravitational anomalies, or perhaps even earthquakes. Similarly, the massive size of the Detector's magnetic fields, situated in a quartz-bearing *molasse* of rock with its own inherent piezo-electric (and detection!) properties might manifest as phenomena on the macro-rather than quantum, scales in the Earth or local space, such as earthquakes, increase of volcanism, anomalous weather patterns, and perhaps even changes in aggregate animal and human behavior.

To detect such "open systems" interactions between the Collider and other systems would itself require an enormous data collection system, one monitoring not only Collider activities and experiments, but those of other systems, with complex algorithms to detect and analyze any apparent linkage between such systems and events within them.

Whatever one might make of such extremely speculative hypotheses, however, the fact remains that that data management system for the Collider opens the possibility to some secret project within it; the fact remains that the Collider itself is symbolic of the ancient alliance between physics and finance, and that it duplicates not only the cartel and trust arrangements of "Rhenisch capitalism" and the wartime plans of the Nazis, but that it also duplicates many features of the Bank of International Settlements both in its international "sovereign" status and in its ability to obtain loans; the fact remains, also, that the defenders of the Collider have admitted that they are searching for the very exotic forms of matter, the alchemical primordial soup, from which all existence springs; the fact remains that the Collider is looking for solutions to the matter-antimatter symmetry which, if found, could conceivably reveal how to create, and confine, large amounts of antimatter, both for energy sources and a source of powerful weapons of mass destruction..

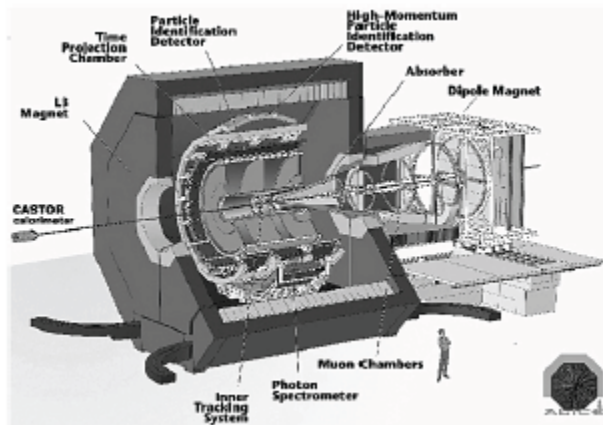
The fact remains, in other words, that the results of the experiments of the Large Hadron Collider could have huge potential military implications and applications.



*CERN's ATLAS Experiment Logo*



*CERN's ALICE "Time Projector Chamber"*



*The LHCb Detector*

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<sup>1</sup> Joseph P. Farrell, *Babylon's Banksters: The Alchemy of Deep Physics, High Finance and Ancient Religion*, p. 207.

<sup>2</sup> *Ibid.*, p. 159.

<sup>3</sup> Alexander Unzicker, *The Higgs Fake: How Particle Physicists Fooled the Nobel Committee* (No Publisher Given: 2013, ISBN 978-1492176244), p. 81.

<sup>4</sup> *Ibid.*, p. 7.

<sup>5</sup> Martin Beech, *The Large Hadron Collider: Unraveling the Mysteries of the Universe* (New York: Springer, 2010), p. viii.

<sup>6</sup> *Ibid.*, p. 41.

<sup>7</sup> *Ibid.*, p. 48.

<sup>8</sup> Martin Beech, *The Large Hadron Collider: Unraveling the Mysteries of the Universe*, p. 51.

<sup>9</sup> Alexander Unzicker, *The Higgs Fake: How Particle Physicists Fooled the Nobel Committee*, p. 55.

<sup>10</sup> One such researcher, who was kind enough to share his thoughts and interpretations with me, was Mr. Anthony Patch. My remarks are not intended to downplay the scientific components of his speculative analysis.

<sup>11</sup> "SabreSaint," "Need Debunking: CERN to Recreate Big Bang," Feb. 26, 2015, <https://www.metabunk.org/threads/need-debunking-cern-to->

[recreate-big-bang.5816/](#) .

12 Ibid. Other variants on this scheme are opening portals to the planet Saturn, a planet with obvious mythological associations to ancient cosmic wars against giants, the Titans and “gigantomachy” of Greek mythology.

13 Ibid.

14 John Didymus Thomas, “The Germanwings Airbus A320 Crash: the CERN LHC, NOW-Illuminati Connection, According to Conspiracy Theorists,” *Inquisitr*, March 26, 2016, <http://www.inquisitr.com/1956653/germanwings-airbus-a320-crash-the-cern-lhc-nwo-illuminati-connection-according-to-conspiracy-theorists/>

15 David McCormack, “You were incredible’: Pentagon contractor and her daughter, 22, are identified as two of three Americans killed in French Alps plane crash,” *The Daily Mail*, 25 March 2015, [www.dailymail.co.uk/news/article-3011260/American-contractor-grown-daughter-identified-two-Americans-died-French-Alps-crash.html](http://www.dailymail.co.uk/news/article-3011260/American-contractor-grown-daughter-identified-two-Americans-died-French-Alps-crash.html) .

16 Marguerite Thoresen, “The LHC (Large Hadron Collider) experiments: Where might equals right.” <http://members.iinet.net.au/~rabbit/lhc.htm>

17 Ibid.

18 See “German Court Pleads for CERN/LHC Safety Conference,” [http://lhc-concern.info/wp-content/uploads/2011/02/cern\\_press\\_release\\_german\\_court\\_hearing.PDF](http://lhc-concern.info/wp-content/uploads/2011/02/cern_press_release_german_court_hearing.PDF)

19 Elizabeth Kolbert, “Crash Course: Can a Seventeen-mile-long Collider Unlock the Universe?” *The New Yorker*, May 14, 2007, [www.newyorker.com/magazine/2007/05/14/crash-course](http://www.newyorker.com/magazine/2007/05/14/crash-course) , boldface emphasis added, italicized emphasis in the original article.

20 Eric Penrose, “How CERN’s Documents Contradict its Safety Assurances: Plans for ‘Strangelet’ Detection at the Large Hadron Collider,” <http://www.heavyionalert.org/docs/CERNContradictions.pdf> .

21 Eric Penrose, “How CERN’s Documents Contradict its Safety Assurances: Plans for ‘Strangelet’ Detection at the Large Hadron Collider,” <http://www.heavyionalert.org/docs/CERNContradictions.pdf> . There are also a number of CERN-LHC safety documents collected at [www.lhcsafetyreview.org/docs/background-documents.pdf](http://www.lhcsafetyreview.org/docs/background-documents.pdf)

22 <http://castor.web.cern.ch/>

[23](#) Eric Penrose, op. cit.

[24](#) “CERN affirms 70% Chances of Strangelets,” <https://certruth.wordpress.com/2011/12/27/119-terrorists-will-start-production-of-strangelets-irony-or-destiny/>

[25](#) Ibid.

[26](#) “CERN Kicks off plans for LHC Successor,” <http://physicsworld.com/Cws/article.news/2014/feb/06/cern-kicks-off-plans-for-lhc-successor> .

[27](#) Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press/Taylor and Francis Group, 2009), p. 5.

[28](#) “Facility for Antiproton and Ion Research,” *Wikipedia*, [http://en.wikipedia.org/wiki/Facility\\_for\\_Antiproton\\_and\\_Ion\\_Research](http://en.wikipedia.org/wiki/Facility_for_Antiproton_and_Ion_Research) . See also <http://www.fair-center.eu/> .

[29](#) The standard objection to such a hypothesis is clear and straightforward, for matter and anti-matter do *not* appear to exist in amounts symmetrical, or more or less equivalent, to each other in the observable universe. Matter and anti-matter annihilate each other instantly upon contact and produce pure energy, i.e., there are no “leftover” particles from such initial collisions. But since antimatter exists in such negligible quantities naturally, and can only be produced by humans in negligible quantities, the standard argument simply becomes one of pointing out that any such military purpose would be offset by the enormous production difficulties, not to mention how to *store* any antimatter that would be produced. *Physical* containment is obviously not an option, and thus, some form of magnetic containment would be the only feasible option. This, however, becomes a remote possibility once one understands the enormously powerful magnetic fields used in such Colliders. Steady production of antimatter over time within them, might produce enough for powerful explosives, provided one could devise sufficiently powerful portable “magnetic bottles” to deliver it to a target. The *Collider*, in other words, becomes the *Container*, so long as the magnetic fields are maintained. Turn them off while a large mass of antimatter was still under acceleration, and that mass would collide with the matter of the Collider, and produce an enormous release of energy. Such a possibility would be, so to speak, a kind of Dr. Strangelove Doomsday device. Such possibilities were alluded to by



Dr. Tom Van Flandern in his book, *Dark Matters, Missing Planets, and New Comets: Paradoxes Resolved, Origins Illuminated* (Berkeley, California: North Atlantic Books, 1993), pp. 163-164.

[30](#) See my *Babylon's Banksters: The Alchemy of Deep Physics, High Finance and Ancient Religion*, pp. 159-205, 251-264.

[31](#) *Ibid.*, pp. 130-153.

[32](#) For this interpretation of the long-term implications of the 1944 Hotel *Maison Rouge* meeting, see my *The Nazi International*, pp. 69-83.

[33](#) See my *Nazi International*, pp. 249-346.

[34](#) Peter Levenda, *The Hitler Legacy*, pp. 171-172.

[35](#) For more details on the wartime (and postwar!) work of the Kammlerstab, see my *Reich of the Black Sun: Nazi Secret Weapons and the Cold War Allied Legend* (Kempton, Illinois: Adventures Unlimited Press, 2004), pp. 100-107; *The SS Brotherhood of the Bell*, pp. 141-191, *Secrets of the Unified Field: The Philadelphia Experiment, The Nazi Bell, and the Discarded Theory* (Kempton, Illinois: Adventures Unlimited Press, 2008), pp. 227-288, 296-312, *The Philosophers' Stone: Alchemy and the Secret Research for Exotic Matter* (Port Townsend, Washington: Feral House, 2009), pp. 205-302, 306-311, *The Nazi International: The Nazis' Postwar Plan to Control Finance, Conflict, Physics, and Space*, pp. 249-352, *Roswell and the Reich: The Nazi Connection* (Kempton, Illinois: Adventures Unlimited Press, 2010), pp. 363-436.

[36](#) See my *Reich of the Black Sun*, pp. 25-52.

[37](#) Joseph P. Farrell, *The SS Brotherhood of the Bell*, p. 202. See also P. 201. It is also worth pointing out that according to some alleged documents of the infamous Cooper-Cantwheel documents of the alleged UFO study group and think-tank, Majic-12 or Majestic-12, President Nixon supposedly "privatized" or corporatized the study-group ca. 1969. If this is true, it would be another example of (1) a "black projects think tank" with (2) a government connection that (3) has a monopoly over key scientific secrets and technologies, and thus constitutes (4) a cartel. (See *SS Brotherhood of the Bell*, pp. 317, 332-333, 334-344 (especially p. 335)). For those following the *financial* aspects of this story, it is this author's opinion that Nixon's decision to abandon the Bretton-Woods system is related to this alleged privatization of the UFO group in 1969.

[38](#) Gabriel Kron, *Tensor Analysis* (New York: John Wiley and Sons, Inc., 1942), p. xii.

[39](#) Edwin K. Tolan, “Foreword” H.H. Happ, ed., *Gabriel Kron and Systems Theory*(Schenectady, New York: Union College Press, 1973), vii-xv, p. xv.

[40](#) Thomas J. Higgins, “Gabriel Kron and Large-Scale Systems Engineering,” in H.H. Happ, ed. *Gabriel Kron and Systems Theory*, 37-42, p. 37.

[41](#) Edwin K. Tolan, “Foreword,” in H.H. Happ, *Gabriel Kron and Systems Theory*, vii-xv, p. xiii.

[42](#) Ibid.

[43](#) Philip L. Alger, “The Evolution of and Engineering Scientist,” H.H. Happ, ed. *Gabriel Kron and Systems Theory*, 5-17, p. 12.

[44](#) J.W. Lynn, “Kron’s Tensor Analysis,” in H.H. Happ, ed., *Gabriel Kron and Systems Theory*, 65-119, p. 65.

[45](#) Lyndon Evans, “The Large Hadron Collider: An Introduction,” in Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 3-21, p. 5.

[46](#) Ibid. p. 7.

[47](#) Anders Unnervik, “The Construction of the LHC: Lessons in Big Science Management and Contracting,” in Lyndon Evans, ed., *The Large Hadron Collider: a Marvel of Technology*, 38-55, p. 41, all emphases added.

[48](#) Astronomer Martin Beech comments on the court cases at length in his book, *The Large Hadron Collider: Unraveling the Mysteries of the Universe* (New York: Springer, 2010), pp. 49-51. Beech begins his summary of the cases by stating that “if anyone is capable of deciding upon the safety issues of an experiment, then it must surely be the people who designed it and who fully appreciate the high-energy physics that it has been designed to test.” (p. 49) Of course, from the legal point of view, this is a huge conflict of interest, for what Beech is really proposing is the ultimate irrationality that a defendant in a suit should also be the judge and jury hearing and trying it! In doing so, Beech is confirming the views of the critics of big science particle physics who view the whole procedure as one more resembling religion than science, with particle physics the new priesthood, and their colliders the new cathedrals. Thus, the “citizen-

scientists” of the “Collider priesthood” have the sole access, and therefore the magisterium, to interpret its results.

[49](#) Lyndon Evans, “The Large Hadron Collider: An Introduction,” in Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 3-21, p. 7.

[50](#) Anders Unnervik, “The Construction of the LHC: Lessons in Big Science Management and Contracting,” in Lyndon Evans, ed., *The Large Hadron Collider: a Marvel of Technology*, 38-55, p. 39.

[51](#) Ibid.

[52](#) Ibid.

[53](#) Anders Unnervik, “The Construction of the LHC: Lessons in Big Science Management and Contracting,” in Lyndon Evans, ed., *The Large Hadron Collider: a Marvel of Technology*, 38-55, p. 42, emphases added.

[54](#) Lyndon Evans, “The Large Hadron Collider: An Introduction,” in Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 3-21, p. 4.

[55](#) See my *SS Brotherhood of the Bell*, pp. 171-185.

[56](#) Anders Unnervik, “The Construction of the LHC: Lessons in Big Science Management and Contracting,” in Lyndon Evans, ed., *The Large Hadron Collider: a Marvel of Technology*, 38-55, p. 44.

[57](#) Lyndon Evans, “The Large Hadron Collider: An Introduction,” in Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 3-21, pp. 8-9.

[58](#) Ibid., p. 9, emphasis added.

[59](#) John Ellis, “The Fundamental Physics Behind the LCH,” Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 22-37, p. 24,

[60](#) Peter Jenni, “ATLAS”, Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009) 182-199, p. 183.

[61](#) John Ellis, “The Fundamental Physics Behind the LCH,” Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 22-37, p. 23. Interestingly, Mr. Ellis also addresses the argument and “doomsday conspiracy theory” that the Collider

will create mini black holes that will be stable, as groundless, which they largely are (p. 34). What he *does not* comment on is the fact that many of those theorists are less worried about mini-black holes, than they are about quark-gluon plasmas, or strangelets.

[62](#) Martin Beech, *The Large Hadron Collider: Unraveling the Mysteries of the Universe*, p. 29.

[63](#) Ibid. Beech has an excellent and cursory review of the rise of quantum mechanics from pp. 11-40 of his book.

[64](#) Martin Beech, *The Large Hadron Collider: Unraveling the Mysteries of the Universe*, p. 57.

[65](#) Ibid., p. 51.

[66](#) Lyndon Evans, “The Large Hadron Collider: An Introduction,” in Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 3-21, p. 12. See also Beech, *The Large Hadron Collider: Unraveling the Mysteries of the Universe*, pp. 52-53.

[67](#) Jean-Luc Baldy, Luz Anastasia Lopez-Hernandez, and John Osborne, “The Construction of the LHC: Civil Engineering Highlights,” Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 56-85, pp. 59-60.

[68](#) Lyndon Evans, “The Large Hadron Collider: An Introduction,” in Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 3-21, p. 15.

[69](#) Ibid.

[70](#) Ibid.

[71](#) Tejinder S. Virdee, “The Experiments: Particle Detection at the LHC: An Introduction,” Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 150-161, p. 151.

[72](#) Ibid., p. 152, emphasis added.

[73](#) Ibid., p. 153.

[74](#) Ibid.

[75](#) Tejinder S. Virdee, “The Experiments: Particle Detection at the LHC: An Introduction,” Lyndon Evans, ed., *The Large Hadron Collider: A*

*Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 150-161, p. 154.

[76](#) Ibid.

[77](#) Ibid., pp. 157, see also Tejinder S. Virdee, “The Experiments: The Compact Muon Solenoid Detector at LHC,” Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 162-181, p. 171.

[78](#) Ibid., p. 160.

[79](#) Ibid.

[80](#) Tejinder S. Virdee, “The Experiments: Particle Detection at the LHC: An Introduction,” Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 150-161, p. 159.

[81](#) Tejinder S. Virdee, “The Experiments: The Compact Muon Solenoid Detector at LHC,” Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 162-181, p. 167.

[82](#) Martin Beech, *The Large Hadron Collider: Unraveling the Mysteries of the Universe*, p. 113, emphasis added.

[83](#) Peter Jenni, “The Experiments: ATLAS,” Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 182-199, p. 185.

[84](#) John Ellis, “The Fundamental Physics Behind the LHC,” Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 22-37, p. 35

[85](#) Ibid., p. 33.

[86](#) John Ellis, “The Fundamental Physics Behind the LHC,” Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 22-37, p. 36.

[87](#) Juergen Schukraft and Christain Fabjan, “The Experiments: ALICE,” Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 200-215, p. 201.

[88](#) Ibid.

[89](#) Ibid.

[90](#) Juergen Schukraft and Christain Fabjan, "The Experiments: ALICE," Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 200-215, pp. 203-204.

[91](#) Ibid., p. 206.

[92](#) Juergen Schukraft and Christain Fabjan, "The Experiments: ALICE," Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 200-215, p. 209.

[93](#) Tatsuya Nakada, "The Experiments: LHCb Experiments," Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 216-227, p. 217.

[94](#) There are two problems with antimatter, namely, the short time that some of it actually exists within, and how to store it over time. Thus, solving the asymmetry problem might yield solutions on how to produce much more amounts of it *and successfully contain it over time*.

[95](#) Tatsuya Nakada, "The Experiments: LHCb Experiments," Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 216-227, p. 218.

[96](#) Ibid., p. 217.

[97](#) Tejinder S. Virdee, "The Experiments: Particle Detection at the LHC: an Introduction," Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 150-161, p. 152,

[98](#) Lyndon Evans, "The Large Hadron Collider: An Introduction," Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 2-21, pp. 20-21.

[99](#) Martin Beech, *The Large Hadron Collider: Unraveling the Mysteries of the Universe*, p. 54.

[100](#) John Harvey, Pere Mato, and Les Robertson, "The Experiments: LCH Data Analysis and the Grid," Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 228-243, p. 230.

[101](#) Tejinder S. Virdee, "The Experiments: Particle Detection at the LHC: an Introduction," Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 150-161, p. 153.

[102](#) John Harvey, Pere Mato, and Les Robertson, “The Experiments: LCH Data Analysis and the Grid,” Lyndon Evans, ed., *The Large Hadron Collider: A Marvel of Technology* (Boca Raton, Florida: EPFL Press, 2009), 228-243, p. 229, emphases added.

[103](#) It is worth noting that CERN has already announced plans for an even *bigger* and more ambitious, even higher energy, accelerator-collider with a circumference of one *hundred* kilometers.



## CONCLUSIONS TO PART TWO

*“Discussing Germany’s preparation for a world-wide underground network, Assistant Secretary Holmes stated ‘...One of the most interesting angles of the German plan is to place technicians where that can be most useful to the Nazi underground in its next bid for power...Certain Nazis are assigned to pose as Communists, Socialists, and members of trade union organizations.’”*

T.H. Tetens citing Assistant Secretary of State, Julius C. Holmes,  
April 7, 1945.<sup>[1](#)</sup>

**I**NTRIGUING, IF NOT DIRE, PATTERNS EMERGE when one looks back on the previous chapters and views them synoptically. While it may seem redundant, there are so many details that form pieces of those patterns, that we shall repeat, verbatim, the conclusions of Part One, and then add to these the conclusions and patterns that have emerged in Part Two.

### *A. The Conclusions to Part One*

- 1)The Madrid Circular of 1950 was the alleged product of the German Geopolitical Center in Madrid, and thus allegedly of the postwar Nazi International. However, as was seen in chapter one, this author was unable to find any corroboration of the existence of this document beyond the books of T.H. Tetens. Thus, a methodology of corroboration had to be developed by seeking historical antecedents within Imperial and Nazi Germany, and in postwar West German foreign policy. When viewed in this fashion, a number of the Circular’s policy positions appear not only to have been adopted, but the Circular itself appears unusually prescient of developments occurring decades later. Among these developments, one must take particular note of the following:

- a)The document advocates the creation of a European community, inclusive of a customs union or common market, which federation would leave Germany, as the dominant economic power, in the position of the most influence. The purpose of the federation on the world stage is to create a “third way” between the opposing Communist and Atlantic blocs, with the federation serving to amplify German geopolitical influence on the world stage;
- b)The Circular advocates the policy of promoting East-West bloc tensions even to the point of a war between the USA and USSR,<sup>2</sup> while the German-led Europe remained neutral in such confrontations, emerging as the clear leading power bloc after such a conflict. Certain key steps are involved in implementing this strategy:
- i)The Rapallo Treaty of the 1920s between the Soviet Union and the Weimar Republic is to be used to rearm West Germany and circumvent any treaty restrictions imposed on it on the development of certain armaments capabilities, particularly atomic, biological, or chemical weapons of mass destruction.<sup>3</sup> As was seen in the previous pages, the Rapallo *Prinzip* was faithfully followed by the German Federal Republic as agreements for economic cooperation with “pariah nations” such as South Africa, Israel, and Iran were used to disguise extensive military coordination and the technological transfers necessary to acquire the complete nuclear fuel cycle, and nuclear and thermonuclear weapons, via proxy states. This extensive proliferation effort serves to create *extraterritorial* nuclear and thermonuclear capabilities in the hands of the large corporations and cartel arrangements making it possible, and also creates a multi-layered redundancy in the proxy states utilizing German nuclear technology, which includes continental Europe’s only declared thermonuclear power, France.
- ii)The Circular explicitly states that “for us,” i.e., the Nazi International, “the war never stopped,”<sup>4</sup> and draws clear

support for this in the lack of any formal representative of the Nazi Party at any of the formal surrenders of 1945. The clear implication of this assertion is that the Nazi International was alive and well in the heart of Germany and Europe itself, a point corroborated in official British reports concerning the Naumann Coup attempt against Adenauer's government, as will be seen below:

- iii) The long term goal was to isolate America via the short-term, and successful, derailment of the Morgenthau Plan to de-industrialize Germany,<sup>5</sup> and then to manipulate the USA into increasing isolation of its "dollar diplomacy" via engineered wars, economic crises, and destabilization of the Middle East,<sup>6</sup> while simultaneously the German-led European federation pivoted its economic trade to the East;<sup>7</sup>
- iv) Once this occurred, the USA would be forced to rely increasingly on more and more force and a "unipolar attitude," accurately anticipated by the Circular, and once this occurred, the terms of the Atlantic Alliance could be voided, since America will have become the aggressor nation, and the European nations would be under no obligation to join its military ventures;<sup>8</sup>
- v) All of this would be accomplished via covert operations and an extensive network of contacts in industry and government—including America<sup>9</sup>—a network which the Circular explicitly states may have included personnel "executed for treason" in the July 1944 "bomb plot" against Adolf Hitler, a breathtaking assertion either suggesting that the plot was a deliberate false flag event to deceive the Allies, protect high-ranking Nazis by making them "dead" to further Allied investigation (after all, one does not search for people one assumes are dead), or a crisis of opportunity exploited by the Nazi hierarchy for the same purpose;<sup>10</sup>

2) The stated goal of the Madrid Circular of a German-led European federation was in fact a consistent goal of members of the German

military, political, and financial elite from General Bernhardt and *Reichskanzler* Theobald von Bettmann-Hollweg prior to and during World War One, to post-World War Two West German Chancellors from Adenauer to Helmut Kohl, Gerhard Schröder and Angela Merkel. While we have yet to examine the Nazis and their own statements and plans for European Union in any detail, which will be the main subject of the next part of this book, what is evident thus far is that the Madrid Circular accurately reflects the consistency of this vision;

a) We have noted, however, that certain Nazi documents beginning in 1943 and continuing right to the end of the war, including Generalplan 1945, advocated such a German-led European federation. Additionally, we noted that the Generalplan 1945 spelled this out in terms of political federation, economic union, and as will be seen in the next part of this book, an amalgamation of law and jurisprudence. This union is to eventually include European Russia in its embrace. [11](#)

b) Those wartime Nazi documents also advocated a policy of psychological warfare against the Western powers, and we suggested in the previous pages that the Naumann Coup attempt against Adenauer's government, the responsibility for which the British explicitly laid at the feet of the postwar Nazi International, was one such operation, since the operation allowed the Adenauer government, notwithstanding its own Nazis and pro-Nazi sympathizers, to appear moderate.

3) Finally, we observed the pattern of interlocking corporate and cartel driven military and political manipulation of Islam by means of radicalizing it, and in radicalizing it, weaponizing it for use in destabilizing the Middle East and upsetting British and American interests in the region. The result, again, has been exactly that as predicted by the Madrid Circular, for as Washington must increasingly use a heavy hand in the region, it becomes increasingly isolated. In the case of the German nuclear "cartel," we discovered that the German nuclear industry, in its historical roots, is comprised largely of the component companies of the IG Farben cartel, all working in concert, a point which suggests that while Farben may be

officially dead in name, it is dead *only* in name. Given the consistent connection of German policy toward radical Islam, and its promotion of jihad since the days of the Kaiser and its consistent ability to endure shifts of government in Iran from World War Two through the overthrow of both Mossadegh and the Shah, the known Nazi connections to other radical Islamic groups, [12](#) it was even suggested that the “war on terrorism” might be a convenient cover for a war on the Nazi International, a war which America and her allies would have great difficulty selling to their populations.

### *B. Conclusions to Part Two*

To these insights, conclusions, and patterns, the following details may now be added:

- 4) Definite parallels exist between the structure of the Exchange Rate Mechanism of the 1980s and 1990s, and today’s European Union, and the wartime plans of the Nazis in the following respects:
  - a) “Peter Oldfield’s,” a.k.a. Per Jacobssen’s novel *The Alchemy Murder details* the interwar League of Nations recommendations for the construction of enormous chemicals cartels with sufficient power:
    - (i) to oppose the warmaking powers of nation-states;
    - (ii) to establish and maintain international economic order;
    - (iii) to function as the mechanisms and agents of technology transfer via patents and licensing agreements;
    - (iv) As was seen, however, the only cartel of such international extent was I.G. Farben, which functioned as the principal component of the Nazi war machine;
  - b) The Bank of International Settlements was conceived by German banker Hjalmar Schacht as an independent “sovereign” entity ostensibly for the purpose to handle war reparations payments, but functioned in practice, particularly during the war, as the international agent and clearing house for Nazi cartel interests. There are definitive indicators that the BIS functioned, and may

still function, as the central and principal component of a hidden system of finance in the following ways:

- (i) Given its “sovereign” status, the BIS is allowed diplomatic pouch immunities, and was and is thus in a position to launder bearer-securities of all types, as well as currencies, a function which it performed during the war;
- (ii) The Nazis in the form of Karl Blessing, Kurt von Schröder, IG Farben COE Herman Schmitz and other Schacht-sponsored appointees to its Board of Governors, viewed the Bank and its utopian objectives—those having to do with the meme of the obsolescence of the nation-state—as being exploitable by the Nazi-Cartel regime, which had adopted similar language for its own purposes of European power politics;
- (iii) The continuity of the political and financial “European-Reich” outlook of the Nazi-Farben alliance is continued after the war by the prominent position of Nazi financiers in postwar German financial institutions, such as Blessing’s presence in the postwar West German *Bundesbank*;
- (iv) As such, the BIS was also viewed as a principal means for the postwar mitigation of Allied treatment of Germany and was a key component of Nazi survival, and the Party’s strategic evacuation plans to move large amounts of capital out of Europe;
- (v) The BIS functioned as a principal means of the continuation of wartime contact between the German financial-cartel elite on the one hand, with sympathetic American counterparts such as the Dulles-Bush-Harriman “axis” that ran through the Wall Street firm of Sullivan and Cromwell, via its wartime American president Thomas H. McKittrick; [13](#)
- (vi) Given its ability to move physical paper, in the form of agreements, securities, currency, and so on via diplomatic pouch, the speculative suggestion was advanced that the move to digital cashless societies might be a move of the

financial power elite to maintain “transparency” of public finances, while maintaining its own opacity to public scrutiny. This view was argued in the context that a hidden system of finance *might, and very well would, be dependent on the movement of physical paper—in the form of bearer bonds and other bearer instruments—through a system of “diplomatic pouch” immunity such as is possessed by the Bank of International Settlements.* A hidden system based on such “bearer instruments” and the movement of actual physical paper through such channels would be totally opaque to any public oversight or individual national scrutiny. This would allow the creation of a truly international system of hidden finance, one that could very well be utilized for the funding of black projects on an international scale and order. In such a system, an institution like the BIS would be essential, for the BIS essentially functioned as a kind of Venetian *banco di scitta*, but on an international scale. These facts and speculations may explain why the BIS survived and outlived its ostensible purpose of handling interwar reparations payments, and why it survives today, though the Schacht-Sukarno episode indicates that other banks are involved in this system;

c)The joint plans of the Nazi Party-I.G. Farben “coalition” and “marriage” focused on a *staged* integration of a European *Reich* or federation around a German core and leadership. This staged development focused on two principal means, techniques, and areas:

(i) A “European Reich” project would first require the harmonization of various European nations’ patent law, as outlined by Walter Hallstein in his infamous “Hegemony Speech,” and by Sölter’s 1942 study. The principal means by which this could be quickly and effectively accomplished was by bypassing national and provincial legislatures and parliaments, by establishing European-wide *regulatory* bureau-cracies to oversee different areas of the “large space” (i.e., European) economy and



markets. This, as was seen, bears an uncanny resemblance to the bureaucratic structure of the current European Union, which, as was seen, showed Walter Hallstein involved at every crucial step in its formation. CERN, it should be noted, was one such agency created, and was given, like the BIS, a “cartel” and “trust”-like structure, and a kind of limited sovereignty.

- (ii) Coincidental to this, a “Reichsmark” zone would be established based on the idea of “margin-pegs” of other currencies within the zone to the Reichsmark, a plan that, again, was fulfilled by the establishment and operation during the 1980s and 1990s of the Exchange Rate Mechanism, wherein other European currencies, including eventually the French franc and Italian lire were pegged to the West German *Deutschmark*.

5)The pattern of the close relationship between high finance and high technology and physics, a pattern begun in ancient times, is continued in Europe’s CERN, which has, as noted, a limited kind of “sovereign status” in international law, making it a perfect candidate for conducting a twin-track system of experiments, a public one, and a secret or covert one, since there is no single nation state overseeing it. As a “European” institution, however, the influence of the larger member-nations within it is palpable, particularly that of Germany which, as was also seen, was CERN’s largest contributor. Given the fact that CERN admits that its Large Hadron Collider is designed to create and detect the creation of quark-gluon condensates, antimatter-matter asymmetry experiments, and so on, it may also be viewed as continuing the wartime pattern of the *Kammlerstab* which, according to a British intelligence agent, worked in “monstrous areas of physics on a daily basis.” Additionally, other factors are indicative of the possibility of hidden or covert projects within the LHC experimental management structure:

- a)CERN’s Large Hadron Collider represents a “cosmology cartel and trust,” since it has control over:

- (i) the machines of the accelerators and the Collider itself, thus making any truly independent verification of its experiments impossible;
  - (ii) the *information* generated from its experiments; and,
  - (iii) the “filtration” or selection of data from those experiments to be communicated to its member scientists for study and interpretation.
- b)The “data filtration algorithms” however, suggest the possibility that the *rejected* raw data could be siphoned and filtered itself, and thus the possibility arises that other experiments *in the form of data correlations between Collider activities and other systems* such as weather, geological, social, or geophysical systems, might be coordinated secretly;
- c)Finally, in our extremely speculative scenario, we suggested the possibility that the Collider and its Detectors, along with the involved scientists, might be creating the effects they observe as artifacts of the machine itself, when it is understood from a “Kronian” point of view that *all* electrical machines are networks of hyper-dimensional spaces. In this respect, we also suggested the extremely speculative notion that one aspect of a covert or secret experiment that might be being run is a socio-physical engineering experiment to tests the effects(if any) and limits of group observers on physical experiments. If such extreme speculations were true, it would indeed constitute another example of “working in monstrous areas of physics on a daily basis.”

But now there is a crucial problem, one that few researchers—whether they are focused on postwar Nazis, or whether they are focused on wartime and postwar *Communists* —have noticed, for if there are “ ‘Nazis in the Bushes,” there are also “Commies in the Rosy Fields” of Franklin Delano. Indeed, as was pointed out in chapter five, prominent Roosevelt advisors Harry Dexter White and Henry Morgenthau wanted to shut down the BIS entirely, for both men perceived its utility and distinctive “pro-Nazi” stance under its ostensibly American president, Thomas McKittrick.

The problem was, they, and in particular, Harry Dexter White, had their own “questionable activities and associations,” and they were about to be questioned by a junior Senator from Wisconsin, whose activities would explode into politics, rock two presidential administrations, and launch its own “ism.”

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[1](#) T.H. Tetens, *Germany Plots with the Kremlin*, p. 34.

[2](#) p. 9. All page references in this chapter are to previous pages of this book.

[3](#) pp. 11-12.

[4](#) pp. 17-18.

[5](#) p. 19

[6](#) pp. 25-26.

[7](#) p. 27

[8](#) pp. 28-29.

[9](#) pp. 16-17.

[10](#) pp. 30-31.

[11](#) pp. 62, 64-65.

[12](#) See my *Nazi International*, pp. .

[13](#) Viewed in this context, the postwar appointment of John McCloy to be American High Commissioner for West Germany is hardly coincidental, since McCloy served as IG Farben’s American lawyer. His appointment may thus be viewed as designed to protect mutual American and Cartel financial and industrial interests in postwar Germany. Accordingly, his pardon of over 70,000 Nazis in the postwar era should be viewed with some suspicion.

**PART THREE :**  
**EUROPE FROM THE ATLANTIC TO VLADIVOSTOK : THE COMMUNIST SIDE**  
**OF THE COIN**

*“Where the United States could have exerted its dominant influence to bring about a free Russia it truckled to the ambitions of a few Wall Street financiers who, for their own purposes, could accept a centralized tsarist Russia or a centralized Marxist Russia but not a decentralized free Russia.”*  
Anthony Sutton, *Wall Street and the Bolshevik Revolution*, p. 19

*“I think the idea of a Common European Home, the building of a united Europe, and I would like to outline today, of Great Europe, the building of Great Europe, great united Europe, from the Atlantic to the Urals, from the Atlantic to Vladivostok, including all our territory, most probably a European-Asian space, a united humanitarian space: this project is inevitable.”*  
Eduard Shervardnadze, The last Foreign Minister of the Soviet Union, Cited in Christopher Storey, *The European Union Collective*, p. 118.

**PRELUDE TO A PROBLEMATIC : MAJOR JORDAN'S TROUBLESOME DIARIES**

*“We are determined that nothing shall stop us from sharing with you all that we have...”*

Harry Hopkins, Lend-Lease Commissioner and Advisor to  
President Franklin Delano Roosevelt, Russian Aid Rally,  
Madison Square Garden, June, 1942<sup>1</sup>

**E**PIGRAPHS OFTEN FUNCTION LIKE THE PROVERBIAL picture worth a thousand words, affording a snapshot of a whole era and the human decisions, their motivations, and unbidden consequences that drove it, and the above epigraph by Harry Hopkins, a member of President Franklin Delano Roosevelt's inner circle, is no exception, for in June of 1942, if the truth be told, the Allies were in a desperate situation. Field Marshal Rommel's *Afrikakorps* was poised within striking distance of Alexandria, Cairo, and the Suez Canal, and if these fell, the entire British position in the Middle East, with its oil lifeline, would be in jeopardy.

But in Russia, things were even worse, as Colonel-General Erich von Manstein's Eleventh Army pummeled the Soviet fortress city of Sevastopol into a moonscape under the war's largest artillery bombardment, and Friedrich von Paulus' Sixth Army and Colonel-General von Kleist's First *Panzerarmee* had just encircled and decimated the Russian Sixth and Fifty-Seventh Armies south of the eastern Ukrainian city of Kharkov. By the end of June, three Soviet armies had simply ceased to exist, and the *Wehrmacht* had begun its summer offensive, sending the Red Army reeling, as it raced into the Caucasus and toward the city of Stalingrad on the Volga River. The Caucasus oil fields simply could not fall, for if they did, Soviet Russia would be unable to prosecute the war, and worse, German armies might pour over the borders of Persia, and completely unhinge the Allied position in the Middle East. Russia had to hold, or the war would be lost before America could bring her vast resources to bear.

Harry Hopkins, and his boss, President Franklin Roosevelt, were determined not to allow that to happen, and consequently they took a decision which was to have enormous consequences not only for the prosecution of the war, but for the condition of American security long after it was over. In March 1942, Roosevelt issued orders outlining the prioritization of munitions distribution, in which the Soviet Union was to be given priority not only over other Allies (principally Nationalist China and Great Britain), but also over its own armed forces.<sup>2</sup>

Such prioritization might have made sense during early 1942 and the “high tide” of the Axis powers, but to American military officers involved in the US Lend-Lease assistance to the Soviet Union, there appeared to be no slackening of aid, even when it was clear that the Soviet Union would eventually prevail over Nazi Germany, and this raised questions.

One of those officers was World War One veteran pilot George Racey Jordan, who re-enlisted in the U.S. Army Air Force on the outbreak of World War Two, eventually being promoted to the rank of major. Jordan was in a unique position to observe the Lend Lease treatment of the Soviet Union, for he was the base commander in charge of Lend Lease operations in Great Falls, Montana, overseeing flights of cargo being flown from the USA, to Anchorage, Alaska, then over the Bering Straits into Russian Siberia and on to Moscow and other points in the Soviet Union. Jordan was thus in regular contact with the Russian pilots making these flights, and was in a unique position to observe their contents.

### *A. The Mystery of the Black Suitcases*

Jordan quickly became suspicious not only of the amount of material being flown to the Soviet Union, but of their contents. Heavy black leather suitcases were being flown out under the cover of diplomatic immunity,<sup>3</sup> in addition to crates of materials, some of which, as we shall discover, contained very odd materials indeed.

The problem was not only what Jordan was observing, but also who was behind it, for it also became clear that the materials being flown to Russia were not, by any stretch of the imagination, “ordinary,” nor were the people authorizing the shipments. Eventually, Major Jordan also noticed that the aerial pipeline to the Soviet Union was also being used to fly many Russians into the USA, Russians who would report to their commander at

the Great Falls base, remain a few days, then leave and never be seen again.  
[4](#)

As any reasonable person would, Major Jordan became suspicious in short order, after the small initial number of suitcases grew to such enormous amounts of black patent leather suitcases that filled entire cargo aircraft, that the Russians' story had to change from the suitcases being simply "personal luggage" to being covered by "diplomatic immunity."  
[5](#) Adding to his suspicion was that fact that each black suitcase was "bound with white window-sash cord and sealed with red wax,"  
[6](#)

On an occasion when the black suitcases and cargo were loaded into a cargo airplane waiting to begin the long flight to Russia, Jordan took the opportunity use his rank to bluff his way past the Russian soldiers inside the plane guarding the suitcases. Calling an American soldier on guard duty to the aircraft, Jordan ordered him to let the Russian guards "have it" if they attempted to interfere with his inspection of the suitcases.  
[7](#) Then, he decided to examine every third suitcase, eventually examining around eighteen.  
[8](#) Finding some unused long envelopes in the pockets of his uniform, Major Jordan jotted down notes of the contents of the suitcases, from which he later composed a memorandum.  
[9](#) What he found did its own small part to launch the postwar Congressional inquiries into the extent of Communist penetration of federal agencies.

### *1. The Contents of the Cases in Jordan's Initial Examination*

Jordan's suspicions were warranted, as the cases contained roadmaps, tables of railroad mileages, charts of the locations of American industrial plants, and so on.  
[10](#)

Judging by their contents, various suitcases could have been labeled under the heads of machine tools, oil refineries, blast furnaces, steel foundries, mining, coal, concrete, and the like. Other folders were stuffed with naval and shipping intelligence. There seemed to be hundreds of commercial catalogues and scientific magazines.  
[11](#)

This, however, was not all that caught Major Jordan's attention.

### *2. The Cropped Margins and a Significant Name*



Many of the documents inside the suitcases that Major Jordan examined clearly originated within various departments and agencies of the Federal government, such as “the Departments of Agriculture, Commerce and State.” [12](#) One feature, however, of these papers were that they had all been

...trimmed close to the text, which white margins removed. I decided that this was done either to save weight, or to remove “Secret,” “Confidential” or “Restricted” stamps that might have halted a shipment, or for both reasons. [13](#)

Additionally, as Jordan recounts, there were also “five or six State Department folders” to each of which was clipped a name tab with the phrase “from X.” with the surname of some State Department official. [14](#)

One of the tabs that Major Jordan copied read “From Hiss,” [15](#) a name that would become almost synonymous with the postwar efforts to discover security risks within the Federal government. Jordan notes that he “had never heard of Alger Hiss, and made the entry because the folder bearing his name happened to be second in the pile” and because the folder “contained hundreds of Photostats of what seemed to be military reports.” [16](#)



*Major George Racey Jordan, U.S. Army Air Force*

### *B. The White House, The A-Bomb, and Famous Names*

But one suitcase in particular yielded a treasure trove of revealing and profoundly disturbing information, and here, it is best to let Major Jordan recount it in his own words:

A suitcase opened midway in the search appeared to contain nothing but engineering and scientific treatises. They bristled with formulae, calculations and professional jargon. I was about to close the case and pass on when my eye was caught by a specimen of stationary such as I had never before seen.

Its letterhead was a magic incantation: “The White House, Washington.” As prospective owner of an 80-acre tract along the shore of Washington State, I was impressed by the lordly omission of the capitals, “D.C.” Under the flashlight I studied this paper with attention. It was a brief note, of two sheets, in a script which was not level but sloped upward to the right. The name to which it was addressed, “Mikoyan,” was wholly new to me. (By questioning Colonel Kotikov [17](#) later I learned that A.I. Mikoyan at the moment was Russia’s No. 3 man, after Premier Stalin and Foreign Commissar Molotov. He was Commissar of Foreign Trade and Soviet boss of Lend-Lease.)

A salutation, “My dear Mr. Minister,” led to a few sentences of stock courtesies. One passage, of eleven words, in the top line of the second page, impressed me enough to merit a scribble on my envelope. That excerpt ran thus: “– had a hell of a time getting these away from Groves.”

The last two words should not be taken as referring to Major General Leslie R. Groves himself. What they meant, probably, was “from the Groves organization.” The commander of the Manhattan Engineer District, later the Manhattan Project, was almost unique in the Washington hierarchy for his dislike and suspicion of Russia.

Before continuing, it is worth pausing to take stock of what Major Jordan has now stated, for the clear implication of his remarks are, first, that someone high up with the Roosevelt Administration, within the White House itself, was involved in supplying information to the Soviet Union, and secondly, that this information had something to do with the USA’s

“Manhattan Project,” the super-secret project to produce an atomic bomb under the command of Major General Leslie Groves. Continuing:

The first thing I had done, on finding the White House note, was to flip over the page to look for a signature. I penciled it on my envelope as “H.H.” This may not have been an exact transcription. In any case, my intention is clear. It was to chronicle, on the spot, my identification of the author as Harry Hopkins. It was general usage at Great Falls and elsewhere to refer to him as “Harry Hopkins,” without the middle initial. [18](#)

In other words, President Franklin Delano Roosevelt’s closest political advisor, confidant, and personal friend, Harry Hopkins, was directly involved in getting information from the American atomic bomb project into the hands of the Soviet Union.



*President Franklin Roosevelt and Harry Hopkins*

Finding the name of a prominent and close presidential advisor on material shipments going to the Soviet Union, with an admission that the materials were obtained from the Manhattan Project only with some difficulty, would pique the interest of any military officer, and Jordan was no exception. Harry Hopkin’s letter was clipped to two other items:

One was a thick map. When unfolded, it proved to be as wide as the span of my extended arms. In large letters it bore a legend which I

recorded: “Oak Ridge, Manhattan Engineering District.”

The other was a carbon copy of a report, two or three pages long, which was dated Oak Ridge. If it had a signature, I did not set it down. At the top of the first page, impressed with a rubber stamp, or typed, was the legend: “Harry Hopkins” followed by the title “Special Asst. Coordinator” or “Administrator.” I gathered that this particular copy had been earmarked for Mr. Hopkins. In the text of the report was encountered a series of vocables so outlandish that I made a memo to look up their meaning. Among them were “cyclotron,” “proton” and “deuteron.” There were curious phrases like “energy produced by fission” and “wall five feet thick, of lead and water, to control flying neutrons.” [19](#)

While not directly stating it, Major Ramey is implying that not only had Harry Hopkins personally written Soviet Minister Mikoyan about matters and materials pertaining to the Manhattan Project (on White House stationary, no less!), but that he had provided a carbon copy of a doubtless Top Secret report concerning the project, a report intended for Hopkins’ use only, since all such reports would have been carefully numbered and circulated to known individuals.

Jordan was alleging treason, treason at an extraordinarily high level.

### *1. Hopkins to Jordan: The “Special Shipment”*

The reality of Hopkins’ involvement was brought home to Jordan in April 1943 when Hopkins phoned the base in Great Falls and asked to be put in touch with Major Jordan directly. Jordan recalled the conversation:

“Now, Jordan,” he said, “there’s a certain shipment of chemicals going through that I want you to expedite. This is something very special.”

“Shall I take it up,” I asked, “with the Commanding Colonel?”

“I don’t want you to discuss this with anyone,” Mr. Hopkins ordered, “and *it is not to go on the records*. Don’t make a big production of it, but just send it through quietly, in a hurry.”

I asked how I was to identify the shipment when it arrived. He turned from the phone, and I could hear his voice: “How will Jordan

know the shipment when it gets there?” He came back on the line and said “The Russian Colonel out there will designate it for you. Now send this through as speedily as possible, *and be sure you leave it off the records!*’ [20](#)

After the curious telephone conversation, Major Jordan asked his Russian opposite number and Lend-Lease liaison officer, Soviet Air Force Colonel Kotikov, what it was all about.

Kotikov produced a folder labeled “Bomb Powder,” withdrew a sheet, and “set a finger against one entry. For a second time my eyes encountered the word ‘uranium.’ I repeat that in 1943 it meant as little to me as to most Americans, which was nothing.” [21](#) While it might have meant nothing to Major Jordan, however, it clearly meant something to his opposite number Colonel Kotikov, and to Harry Hopkins. Notwithstanding the urgency, the shipment was delayed for five weeks, finally arriving in Great Falls by rail. [22](#)

Careful searching of the railroad and airway freight bills confirmed that the shipment that had finally arrived in Great Falls, Montana, in June of 1943, amounted to 15 crates. [23](#) By 1949, notes Major Jordan, records revealed “that during the war Federal agencies delivered to Russia at least three consignments of uranium chemicals, totaling 1,465 pounds or nearly three quarters of a ton,” [24](#) which consignments included 2.2 pounds of metallicized uranium, about half of America’s stocks at the time, and the form necessary for use in an atom bomb. [25](#) Jordan comments on the significance as follows:

On the presumption that 1,465 pounds of uranium salts were contributed to the Soviet Union, metallurgists estimate that they were reducible in theory to 875 pounds of natural uranium, which in turn would yield 6.25 pounds of fissionable U-235. But 4.4 pounds of the latter, or nearly two pounds less, are capable of producing an atomic explosion. [26](#)

The U.S.A., in other words, through Hopkins’ careful brokering of uranium shipments and other matters having to do with the atom bomb, had shipped enough *metallicized* uranium to constitute about half of a critical mass

(based on Jordan's figures), and had supplied a sufficient amount of raw uranium salts to metallicize into the remainder.

Keeping a careful covert diary of the US Lend-Lease shipments to Russia, Jordan discovered that the USA had also shipped tons of graphite, cadmium and aluminum tubes, and no less than 437 tons of cobalt,<sup>27</sup> all of which were, of course, valuable components in atomic research and the construction of atomic reactors, which in turn were needed to produce the far more efficient a-bomb fuel of plutonium. Worse yet, there were also shipments of deuterium oxide crystals, one of the principal moderators in reactors, and one of the main fuels in hydrogen bombs.<sup>28</sup>

## 2. *The "Reich of the Black Sun" Thesis*

In my previous book *Reich of the Black Sun: Nazi Secret Weapons and the Cold War Allied Legend* I pointed out that in December of 1944, the best estimates of American metallurgists involved in the Manhattan Project was that the USA would not have enough metallicized uranium for a bomb until November of 1945, well after, of course, the use of a uranium bomb on Hiroshima on August 6, 1945. In that book, I argued that part of the reason for this was the USA's decision to pursue *both* routes to an atomic bomb: a uranium bomb, and a plutonium bomb, the latter granting more "bang for the buck," but also requiring that some of the USA's stocks of uranium be syphoned off for conversion into the man-made element of plutonium through neutron bombardment in reactors.<sup>29</sup> But we now have yet another reason for the shortage: someone within various agencies of the Federal government was coordinating shipments of bomb and reactor components to the Soviet Union.<sup>30</sup>

## 3. *Major Jordan's Unfruitful Attempt to Warn the U.S. Department of State*

Major Jordan kept a private diary of notes of all the types of shipments he was observing leaving the United States for the Soviet Union under the guise of Lend-Lease and the activities of Russians being flown in who simply disappeared into the American woodwork, and attempted on two occasions to bring the State Department into awareness of these activities. On one such occasion, in January 1944, he met with one John Newbold Hazard, a State Department liaison officer for Lend-Lease, in the old State

Department office building (now the Old Executive Offices building) next to the White House.

Hazard's response, however, was not quite what Major Jordan might have expected:

From his private office, after I was announced, came a young assistant.

"Major Jordan," he began, "we know all about you, and why you are here. You might as well understand that officers who get too officious are likely to find themselves on an island somewhere in the South Seas."

With natural anger, I retorted that I didn't think the State Department had any idea how flagrant abuses were at Great Falls. I said we had virtually no censorship, or immigration or customs inspection. Crowds of Russians were coming in of whom we had no record. Photostats of military reports from American attaches in Moscow were being returned to the Kremlin. Planeloads of suitcases, filled with confidential data, were passing every three weeks without inspection, under the guise of "diplomatic immunity."

"But my dear Major," I was admonished with a jaunty wave of the hand, "we know all about that. The Russians can't do anything, or send anything out of this country, without our knowledge and consent. They have to apply to the State Department for everything. I assure you the Department knows exactly what it is doing. Good afternoon." [31](#)

As will be discovered in the next chapter, the Department of State became a focus of postwar Congressional inquiries into security risks and leaks, and people within the Federal bureaucracies closed ranks quickly to impede investigation. One reason, as Major Jordan discloses, might have been to protect the secret, and reputations, of those involved in these activities.

#### *4. The Affair of the Engraving Plates*

Much to Jordan's disconsolation, however, surreptitious shipments of atomic secrets and materials to the Soviet Union were not the only types of shipments occurring. Jordan also learned that the Lend-Lease shipments also included the engraving plates for the "occupation marks" that were to be printed in postwar occupied Germany! [32](#) Ultimately, Jordan learned, the



approval of the transfer for the plates came from yet another high-ranking Roosevelt Administration advisor, Harry Dexter White, of the US Treasury, and Roosevelt Treasury Secretary Henry Morgenthau, themselves.<sup>[33](#)</sup> The reason for the Soviets' interest in these plates was clear, for the occupation marks were to be totally convertible, and thus, the Soviets could simply print any amount they wished, and convert them to American dollars, which they did, to the tune of \$250,000,000.<sup>[34](#)</sup>

### *C. Aftermath: Enter Richard Nixon*

Major Jordan's allegations were roundly denounced by the American political left during the immediate postwar period, and, on the opposite end of the political spectrum, just as readily endorsed. One such endorsement came from former F.B.I. agent Donald T. Appell, special investigator for the postwar House Un-American Activities Committee, scene of the famous postwar charges of Whittaker Chambers and Elizabeth Bentley that prominent State Department official Alger Hiss had been a member of a Communist Party cell, and a spy, and then freshman Congressman Richard Nixon's involvement in the whole affair that would eventually see Hiss indicted and convicted for perjury. Appell testified before the committee concerning Jordan's "diaries" and their allegations:

*Mr. Nixon:* Your investigation shows first, then, that Major Jordan did, at least on two occasions, make a report concerning the passage of materials through Great Falls?

*Mr. Appell:* Yes.

*Mr. Nixon:* As I recall, Mr. Chambers had to tell his story five times before any cognizance was taken of his charges. So apparently if Major Jordan had told his more than twice he might have gotten the Government to do something about it. But be that as it may, as I see it at present the issues are five.

First of all, the charge was made that if the shipments were going through, Major Jordan should have made a report. In this regard, he *did* make a report of the charges at least on two occasions. Is that correct?

*Mr. Appell:* Yes.

...

*Mr. Nixon:* Another point that Major Jordan made was that certain documents were going through Great Falls under diplomatic immunity; that he broke into the cases, examined the documents, and that some of the material in there which he examined consisted of plans, secret material, and so on, which it would be assumed normally would not be regarded to be under diplomatic immunity.

I think it is quite clear from your testimony that that phase of Major Jordan's testimony stands up; is that correct?

*Mr. Appell:* Well, we do know, we are in contact with a witness, a former employee of the Russian Purchasing Commission, who helped pack one pouch of so-called diplomatic mail that went through, and we know it contained material highly secretive on industrial and war developments...

*Mr. Nixon:* Is it the intention of the staff, then, to present this witness (Victor A. Kravchenko) who may be able to substantiate, at least in part, Major Jordan's testimony that secret material was going through?

*Mr. Appell:* That is correct. [35](#)

*Mr. Nixon:* On the point of the so-called shipments of uranium...the shipments went through. Is that correct?

*Mr. Appell:* Two specific shipments of uranium oxide and uranium nitrate, and shipments of heavy water have been completely documented to include even the number of the plane that flew the uranium and heavy water out of Great Falls.

*Mr. Nixon:* And the final point is the matter of Mr. Hopkins having attempted to expedite the shipments. Major Jordan's testimony on that was that his notes, written at the time, showed the initials "H.H." on one of the consignments which he broke into. Your investigation has shown no correspondence of Mr. Hopkins in which he used the initials "H.H." Is that correct?

*Mr. Appell:* That which we reviewed.

*Mr. Nixon:* I understand that. My point is that as far as the investigation you have been able to make is concerned, you as yet have been unable to substantiate Major Jordan's story on that point; is that correct?

*Mr. Appell:* Yes.

Mr. *Nixon*: But you *have* substantiated it on the four other points I mentioned?

Mr. *Appell*: Generally, yes.

Mr. *Nixon*: That is all. [36](#)

The substantial portion of Major Jordan's allegations had thus been vindicated through the House Un-American Activities Committee's own investigations, but this raised disturbing questions in the light of Jordan's attempts to bring the problem to the attention of the State Department, that department's own response to him, and the context and controversy that was beginning to brew around postwar Washington of deep and pervasive security risks and Communist infiltration of the departments of government during the Roosevelt Administrations and the circumstances of wartime cooperation. It would be two more years before the subject exploded.



*Harry Dexter White*



Henry Morgenthau, Jr.

Always just 50 black suit cases each  
with 2 or 3 Cominos - usually  
2 ~~1000~~ apart.

~~Major - always cut close~~  
~~4 legged animals bird - Tass folders~~  
~~Smith - Panama Canal Commission~~  
~~maps - oak ridge - museum from Sages~~  
~~Wine - other to dist. dist. bottles - films~~  
~~reports - secret cut off - large folders on~~  
~~machic tools - electronic tools & concrete~~  
~~data of uranium - white house - museum~~  
~~from N.H. about "hell of a town getting~~  
~~these away from France" bomb~~  
~~power - Bohem - Dubac - Siberia de-~~  
~~velopment - oil machinery - maps - West~~  
~~Indians - museum from State Department~~  
~~Communist - thousands of catalogs~~  
~~and drug looking scientific data from~~  
~~Professor Hill - in 1941 - turned into~~  
~~folders of shipping data~~

Another load of suitcases - Hudson  
 going from Co. - folder from museum. City  
 looking from Cuba - sealed envelopes  
 from Comstock - Maps of U.S. coast  
 Comstock - marked strategically - ruins  
 still finding long list of people  
 a couple folders for Russia  
 Gas & Oil (AVROSOXSE)  
 News of the USSR - Physics Series (IZVESTIA  
 AKADEMI NAUK SSSR - SERIA BIOLOGIJA)  
 News of the Academy of Sciences of the USSR  
 Geography & Geo - Physics (IZVESTIA AKADEMI  
 NAUK SSSR - SERIA GEOGRAFIJA I GEOFIZIKA)

- [cut]

The Transcription Page from Major Jordan's Diary Summarizing his Initial Discoveries on Examination of the Black Suitcases

KROKODILO (Crocodile)  
 KRESTIANKA (Benevolent Woman)  
 KRASHII SPURT (Red Sport)  
 LEDYANIA (Heavy Saltcrystal (Lumber Industry))  
 REKHOVYI TRANSPORT (River Transport)  
 TSEMENT (Cement)  
 UGOL (Coal)  
 = FIZICHESKOI KHIMII (Journal of  
 Physical Chemistry)  
 Zhurnal TEKHNIČESKOI FIZIKI (Journal of  
 Technical Physics)

Look up words on maps & maps  
 failed Oak Ridge - Manhattan Engineering  
 Dept. or District & think it was  
 Uranium 92 - neutron - proton  
 and deuteron - isotope energy produced  
 by fission or splitting - look up cyclotron  
 and part of maps - don't think of clock  
 and watch - control flying - neutrons  
 New system hydrogen & deuterium

Another Transcription page from Major Jordan's Diary <sup>37</sup>

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[1](#) George Racey Jordan with Richard L. Stokes, *From Major Jordan's Diaries: The Inside Story of Soviet hend-hease—from Washington to Great Falls to Moscow* (New York: Harcourt Brace and Company, 1952), p. 19.

[2](#) George Racey Jordan, with Richard L. Stokes, *From Major Jordan's iaries*, p.123.

[3](#) Ibid., p. 5.

[4](#) George Racey Jordan, with Richard L. Stokes, *From Major Jordan's Diaries*, p. 66. Jordan states that “I would see them jump off planes, hop over fences, and run for taxicabs. They seemed to know in advance exactly where they were headed, and how to get there. It was an ideal set-up for planting spies in this country, with false identities, for use during and after the war.”

[5](#) Ibid. p. 69.

[6](#) Ibid.

[7](#) Ibid. pp. 74-75.

[8](#) Ibid., p. 75.

[9](#) Ibid., p. 76.

[10](#) George Racey Jordan, with Richard L. Stokes, *From Major Jordan's Diaries*, p. 76.

[11](#) Ibid., p. 77.

[12](#) Ibid., emphasis added.

[13](#) Ibid.

[14](#) Ibid.

[15](#) George Racey Jordan, with Richard L. Stokes, *From Major Jordan's Diaries*, p. 77.

[16](#) Ibid., p. 78.

[17](#) Colonel Kotikov was Major Jordan's Russian counterpart at the Lend-Lease airbase in Great Falls.

[18](#) George Racey Jordan, with Richard L. Stokes, *From Major Jordan's Diaries*, pp. 78-80.

[19](#) George Racey Jordan, with Richard L. Stokes, *From Major Jordan's Diaries*, pp. 80-81.

[20](#) George Racey Jordan, with Richard L. Stokes, *From Major Jordan's Diaries*, p. 93, emphasis added.

[21](#) *Ibid.*, p. 94.

[22](#) *Ibid.*

[23](#) *Ibid.*, p. 99.

[24](#) George Racey Jordan, with Richard L. Stokes, *From Major Jordan's Diaries*, p. 95.

[25](#) *Ibid.*

[26](#) *Ibid.*, p. 114.

[27](#) *Ibid.*, pp. 116-117.

[28](#) *Ibid.*, pp. 111-113.

[29](#) See my *Reich of the Black Sun: Nazi Secret Weapons and the Cold War Allied Legendi* (Kempton, Illinois: Adventures Unlimited Press, 2004), pp. 53-55.

[30](#) George Racey Jordan, with Richard L. Stokes, *From Major Jordan's Diaries*, p. 33.

[31](#) George Racey Jordan, with Richard L. Stokes, *From Major Jordan's Diaries*, pp. 193-194.

[32](#) George Racey Jordan, with Richard L. Stokes, *From Major Jordan's Diaries*, pp. 217-218.

[33](#) *Ibid.*, pp. 222-223, 226-227. Morgenthau was, of course, the author of the notorious plan to de-industrialize postwar Germany and sterilize a large amount of its population, the plan, in fact, referred to in the Madrid Document examined in chapter one. This plan was, of course, scrapped by the Americans shortly after the war, but became for a brief few months the official Allied policy for postwar occupied Germany. The Nazis acquired a copy of this plan during the war, and Dr. Josef Goebbels' Propaganda Ministry made portions of it available to the German public, thus bolstering Nazi claims that the Allies literally intended to annihilate the German Reich and people, and stiffening German resistance in the final months of the war. The plan was ultimately overturned both in the light of postwar geopolitical realities, and the pro-German American business-finance complex, represented by the Dulles brothers, American High Commissioner and

lawyer John J. McCloy, were in fact the American faction that the Madrid Circular refers to as its American allies in the defeat of those plans.

[34](#) Ibid., pp. 229-230.

[35](#) Kravchenko's testimony before the House Un-American Activities Committee is reproduced on pp. 257-267 of Jordan's book.

[36](#) George Racey Jordan, with Richard L. Stokes, *From Major Jordan's Diaries*, pp. 7-9.

[37](#) George Racey Jordan, with Richard L. Stokes, *From Major Jordan's Diaries*, pp. 82-83. The text, given in Jordan's book, of these pages reads: "Always just 50 black suitcases each load with 2 or 3 Couriers—usually 3 weeks apart. Papers always cut close. 4-legged-animal book. Tass folders—Amtorg-Panama Canal Commission maps-Oak ridge-memos from Sayre & Hiss & others-State dept. letters-films-reports-'secret' cut off-large folders on machine tools, electric tools & concrete data-furnaces-White House memo from H.H. about "hell of a time getting these away from Groves"—bomb powder-Donets-Duban-Siberian development-oil machinery maps-blast furnaces-memos from State, Agriculture, Commerce-thousands of catalogs and dry-looking scientific data from McGraw-Hill-Iron Age-tremendous folders of shipping data.

"Another load of suitcases-Aberdeen Proving Grounds-folders from Mexico City, Buenos Aires, Cuba-Sealed envelopes from Lomakin-Maps of U.S. auto companies marked strangely-Mines, steel foundries, long lists of people-Special folders for Russia...

"Look up words on memo & maps labeled Oak Ridge-Manhattan Engineering Dept. or District I think it was-Uranium 92-neutron-proton and deuteron-isotope-energy produced by fission or splitting—look up cyclotron-Map of walls 5 feet thick of lead and water to control flying neutrons. Heavy-water hydrogen or deuterons."



**AN INTERLUDE TO PONDER THE PROBLEMATIC A SECRET ATTENDANCE  
AT A QUIET FUNERAL**

*“...the historians who idolize the first and condemn the second  
would have an even more awkward task before them in squaring  
this improbable circle.”*

M. Stanton Evans<sup>[1](#)</sup>

**O**N MAY 7, 1957, ALMOST FOUR MONTHS AFTER THIS AUTHOR was born in Sioux Falls, South Dakota (a fact whose relevance will eventually become evident), a young man attended the quiet burial service of another older man on a bluff overlooking the Fox River in Appleton, Wisconsin. The event would be an everyday affair, unnoticed and unremarked by anyone in any but the shortest obituaries, save for the fact of the prominence of the two men involved. Indeed, so secret was the younger man’s precautions in attending the funeral, that it would not become public knowledge for some time to come, for indeed, the younger man, well-connected to wealth and power, and an up-and-coming man of power and rising star of the American political left in his own right, had secretly flown to attend the quiet burial ceremony for the older man, a man who had, until just three short years previously, been a man of power of the American political right. Moreover, the legends surrounding each man in death (for the younger man who secretly attended the burial of the older one is now also dead) is also a symbolic challenge to the historical assumptions that a small handful of gatekeepers and idea police have tried to inculcate in the popular consciousness, for the younger man is viewed by many on both the political left and right as something of a pure hero of the highest ethics and aspirations, while the older man whose burial he secretly attended is almost universally excoriated by both the political left and right as the blackest and most unscrupulous dastard, a black angel of smearing and unsupported allegations and ruined lives, all of which nefarious bag of dirty tricks he used unrestrainedly in his amoral pursuit of power.

The older man had been a Republican United States Senator, and the younger man would in a little over three more short years become a

Democrat United States Attorney General, and later, himself a United States Senator, for the younger man was none other than Robert F. Kennedy, sometime assistant counsel to the older man on one of his U.S. Senate committees, for the older man was none other than the notorious junior Senator from Wisconsin, Joseph R. McCarthy, of “McCarthyism” fame.

Author M. Stanton Evans, who has written a recent and thoroughly detailed history of the whole McCarthy era, whom we shall follow closely here, had this to say about the strangeness of this icon, and the difficulties it poses for historiography:

This was one of the strangest alliances in political history, given the standard image of John Kennedy and his brother Robert on the one hand, and that of Joe McCarthy on the other. Few politicians had had a better historical press than have the Kennedy brothers, and nobody could possibly have had a worse such press than Joe McCarthy.

Despite these discrepancies in reputation, the affinities between McCarthy and the Kennedys were solid, hence an embarrassment to historians who venerate the Kennedy name but become apoplectic at the mention of McCarthy. As a young congressman, indeed, Jack Kennedy had entered the hard-line anti-Communist lists before the 1950 arrival of McCarthy, denouncing Owen Lattimore, John K. Fairbank, the (Institute for Pacific Relations), and the Acheson policy in China in terms that McCarthy himself could not have faulted.

John Kennedy’s younger brother Robert was if anything even more attuned to McCarthy’s views—inviting the Senator to speak at the University of Virginia Law School when Robert was a student there, working for McCarthy after graduation, and asking McCarthy to be the godfather of his firstborn child (the eventual Democratic lieutenant governor of Maryland, Kathleen Kennedy Townsend). So loyal was Bobby to McCarthy that, at a speech by famed CBS broadcaster Edward R. Murrow, who had vehemently attacked McCarthy, the younger Kennedy brother walked out in protest.

The mind boggles at what might have happened if young Robert Kennedy (then twenty-seven) had become, as he and his father devoutly wished, the chief counsel to new committee chairman Joe McCarthy. Kennedy’s own political career would have been quite

different also. And the historians who idolize the first and condemn the second would have an even more awkward task before them in squaring this improbable circle.<sup>2</sup>

That the one should attend the burial of the other is an unlikely political icon, raising the unpleasant and obvious questions that few like to ask, and fewer still like to answer: how is it, if the junior Senator from Wisconsin did nothing but smear and ruin people's lives in open session of Senate committee hearings, making baseless accusations about their Communist Party affiliations or activities, without any substantiation whatsoever, that he was able to do so for so long, causing endless grief to both a Democrat and a Republican Presidential administration? If there was nothing there, why all the hullabaloo? And why would a Kennedy be involved with it for so long?

The strangeness of this bizarre political Kennedy-McCarthy relationship is magnified to extremes when one considers the standard "historiography" of the period and the man, which, again, is aptly summarized by Stanton Evans. "In the standard version of the story," he writes,

...McCarthy began his ill-omened anti-Red crusade with a series of mendacious speeches in February 1950, then enlarged on these in Senate hearings conducted by Sen. Millard Tydings (D-Md.) that began the following month. The essence of the McCarthy charges was that the State Department (and other agencies of the U.S. government) had been infiltrated by Soviet agents, members of the Communist Party and their fellow travelers, and that officials supposedly guarding against this danger had first let it happen then covered up the facts about it.

In these early speeches, McCarthy recited what he said were lists of Communists and security suspects—mostly anonymous, some identified by name—as examples of the infiltration problem. These statements triggered fierce disputes before the Tydings panel, in the press, and in public forums throughout the country. McCarthy's charges were denounced as outrageous lies by President Truman, other prominent politicians, the State Department, media pundits, academics, civic leaders, and a vast array of critics.

At the end of this initial go-round, we're told, McCarthy's charges proved to be completely baseless. The relevant data as conveyed by Tydings and since reprised by countless others showed not only that McCarthy charges of subversion were false but that he lied about everything else from start to finish. He didn't have any "lists" of Communists or loyalty suspects, had constantly changed his numbers and other aspects of his story, didn't have inside information sources as he claimed, and otherwise deceived the Senate and the country. The whole thing was a "fraud and a hoax," and the American people could rest assured that charges of massive Communist penetration of the State Department were fearmongering nonsense.

In the conventional treatment, this opening McCarthy battle was the template for all that followed. Though discredited in this first encounter, he would simply forge ahead by making other, even wilder charges, smearing other victims, and spreading still more havoc. The rampage would continue unabated until the Army-McCarthy hearings of 1954 and censure proceedings in the Senate a few months later, when he would be condemned in an official action of his colleagues. In these final struggles, McCarthy was at last brought low, destroyed by his own excesses. Such was the mad career of Joe McCarthy, such was his dismal end, and good riddance to him.<sup>3</sup>

But if all this standard version of events was true and well-known by 1954, then it reflects rather poorly upon the reputations of John and Robert Kennedy, and particularly the latter, as he secretly attended McCarthy's funeral, in spite of all the "evidence" of McCarthy's insane, sociopathic, madcap career. And, as noted, this version of events also poses an even thornier question: if it was all baseless lies from start to finish, how did one junior Senator in the U.S. Senate, with virtually no national power base, manage to pull it off for so long? If there was nothing to it, and it was all a fraud and a hoax, again, why all the hullabaloo?

Upon close consideration of the "standard historiography" of the man and the period, yet another question emerges: if there was nothing to the man and his claims, why did his political opponents fare so badly? Evans draws attention to this overlooked point by observing that many of the most famous names in the following decade and a half of American politics

began their careers in what might be called the “Crucible of the McCarthy era”: McCarthy enemies Senators Tydings, Lucas, and Senate Democratic leader McFarland, were defeated by McCarthy allies Everett Dirksen of Illinois, and John Butler of Tydings’ Maryland, while a young Barry Goldwater replaced McFarland in Arizona,<sup>4</sup> and a young Jack Kennedy was elected in Massachusetts over Republican Henry Cabot Lodge because McCarthy refused Republican Party requests to campaign for Lodge, and against Kennedy.<sup>5</sup>



*A U.S. News and World Report Photo of Robert F. Kennedy and Senator Joseph McCarthy, with a third unknown man*



*From left to right: Senator Barry Goldwater, with his head in his left hand (R-Arizona), Robert F. Kennedy, sitting on the table with his back to the camera, Senator John McClellan, in glasses sitting (D—Arkansas), Senator Joseph McCarthy, in glasses with his right arm on the back of McClellan’s chair (R—Wisconsin), Senator Karl Mundt, the balding man leaning toward Senator McCarthy (R—South Dakota), and sitting, with his back to the camera, and leaning forward, the young junior Senator from Massachusetts, John F. Kennedy*

The strangeness of this bizarre political picture of the two Kennedy brothers and Senator McCarthy is made even more so when one

contemplates the ultimate fate of all three men, two of whom would fall to assassins' bullets under circumstances in each case strongly suggesting conspiracy, and the other a victim to a protracted campaign of political and personal vilification and assassination that persists to our own day, vilification which, when the glittering textbook generalities rehearsed by Stanton Evans in the previous quotation about "McCarthyism" are peeled away to reveal the details, also suggests an element of deliberate conspiracy and continuing political spin. The question is, why?

As if all this were not enough to convince even the most hardened believer in the standard narrative, there are a few more details to consider.

Senator Mundt was still a sitting U.S. Senator when this author—who remembers the late Senator's somewhat nasal voice and his appearance on the CBS game show *What's My Line?* very well—was a boy. Indeed, Mundt, a man whose ability to memorize facts rivaled McCarthy's—was important to the McCarthy story, having chaired the Army-McCarthy Senate sub-committee, and served on McCarthy's Senate Government Operations Committee. But Mundt shares another odd distinction: he was one of only twenty-two U.S. Senators who voted *against* the Senate censure of McCarthy. The only Democratic Senator, who did not vote for the measure was oddly and conveniently absent when the vote was taken, was Massachusetts Democrat John F. Kennedy. The reason? Then-Senator Kennedy was having back surgery and was laid up in the hospital.



*Senator Karl Mundt, U.S. Senator from South Dakota, 1948-1973, left, and Senator Joseph McCarthy, U.S. Senator from Wisconsin, right*



*U.S. Senator Joseph Raymond McCarthy (R-Wisconsin), 1908-1957, U.S. Junior Senator from Wisconsin, January 3, 1947—May 2, 1957*

The Kennedy relationship to the infamous junior Senator from Wisconsin did not simply disappear quietly during the night. Robert Kennedy's "walk out" on CBS broadcaster Edward Murrow for his treatment of McCarthy was well-known. Notably, this incident occurred in 1955, *after* McCarthy's fall from political grace and censure by the Senate. Less well-known, but equally potentially damning, was John Kennedy's walk-out three years earlier, at a Harvard event where the Senator was attacked, an event that, along with his absence from the censure vote in 1954, caused J.F.K. to bob and weave a bit:

JFK's warmth for McCarthy was not as great as Bobby's, but he still felt enough of McCarthy to have performed a similar act three years earlier at the 100th Anniversary of the Harvard Spree Club dinner. Robert Armory, who had been at the dinner and who later worked in the Kennedy Administration recalled in an oral history at the JFK Library that when a speaker had likened McCarthy to the convicted Soviet spy Alger Hiss, JFK rose to his feet and declared "How dare you couple the name of a great American patriot with that of a traitor!" and walked out. The incident has never been denied by anyone who was there, and is accepted by JFK biographers Herbert Parmet, Thomas Reeves and Chris Matthews.

...

Two years later, when McCarthy's support collapsed and the Senate took up a resolution of censure, JFK was absent from the debate,



recuperating from back surgery. He would be the only Democratic Senator not to publicly declare support for McCarthy's censure, even though he could easily have declared his feelings for the public record. As it was, he had instructed Ted Sorenson to draft a statement of support for censure on very narrow grounds, in which, as Schlesinger and Reeves note, made no mention whatsoever of civil liberties, and had more to do with McCarthy's employment of Roy Cohn. In the undelivered statement, JFK was quick to distance himself from the resolution's assertion that McCarthy's actions had harmed America's image abroad, and also stressed the long period of support he had given to McCarthy and his cause.

"This issue involves neither the motives nor the sincerity of the Junior Senator from Wisconsin. Many times I have voted with Senator McCarthy for the full appropriation of funds for his committee, for his amendment to reduce our assistance to nations trading with communists, and on other matters. I have not sought to end his investigations of communist subversion, nor is the pending measure related to either the desirability or continuation of those investigations."

JFK could easily have delivered this statement from his hospital bed, but in the end, he couldn't bring himself to do it. Ted Sorenson admitted in 1971 that he felt that JFK deliberately ducked him on that matter. And JFK admitted it to another friend, Charles Spalding just prior to his release. Here is Spalding's recollection of what JFK said.

"You know, when I get downstairs I know exactly what's going to happen. Those reporters are going to lean over my stretcher. There's going to be about ninety-five faces bent over me with great concern, and everyone of those guys is going to say, 'Now Senator, what about McCarthy?' Do you know what I'm going to do? I'm going to reach back for my back and I'm just going to yell 'Oow' and then I'm going to pull the sheet over my head and hope we can get out of there."

Not until 1956, would JFK issue a public statement supporting McCarthy's censure, and even then it was only because his political future dictated it. "Even my Dad is against McCarthy now," he remarked in private, "And if he is, then McCarthy has nobody left."

JFK's after-the-fact conversion to anti-McCarthyism did not impress the party liberals. Eleanor Roosevelt, the beloved symbol of the liberals

openly berated JFK in 1956 at the Democratic Convention for not having taken a stand against McCarthy, and repeated her mistrust of JFK in an interview for Look magazine in 1958. The lingering image of JFK and the McCarthy connections was another reason why JFK was challenged from the left in 1960.

JFK may have regretted the McCarthy connection in later years, but the assertion of the JFK-As-Progressive advocates that he was never close to, nor sympathetic to McCarthy during the critical years prior to 1954 is totally contradicted by JFK's own words and deeds. As with the friendship with Nixon, the confirmation comes not from conservatives spreading rumors, but from JFK's own friends. [6](#)

The questions raised by all of this bear repeating: if the "standard view" of the Senator and his activities is true, why did McCarthy persist for so long? And why were the Kennedys not only involved but, in Robert's case, in the middle of it?

The answer, shocking though it may be, is that the standard view itself is a piece of carefully crafted and preserved McCarthyism of its own, one carefully maintained by those in positions of power ever since, having little to do with what actually occurred, and why it occurred, rather like the Warren Report is still maintained by the American Executive branch of government as what really occurred in the J.F.K. assassination. But that in turn, raises another disturbing question: what has any of this to do with the postwar Fascist international and its cartel-like activities? As we shall discover, the infamous Senator from Wisconsin may have come too close to certain truths that neither he, nor his investigators, nor his sources even imagined might have existed. Here, as always, the devilish potential for speculation is in the details.

## *A. Wheeling, West Virginia: The Beginning*

### *1. The Numbers Wrangle*

Had Senator McCarthy never boarded the airplane that would take him on a tour of speech-making and stumping for the Republican Party in February 1950, the history of the early 1950s, and of American politics since, might have been vastly different. The tour would take McCarthy from

Wheeling, West Virginia, to Colorado, and to Reno, Nevada, before returning him to Washington, D.C. Even after he landed in the national capital after his tour, there were no throngs of newspaper, radio, or television reporters to greet him. It would take a few days for what he had said to ripple through the country, but by the time it had, there was already controversy about what he actually *had* said on his first stop, in a speech given on Thursday, February 9, 1950, in Wheeling, West Virginia. McCarthy consistently maintained he had said one thing, and his detractors consistently maintained that he had said another. What his detractors consistently said has entered the standard narrative, but the record suggests that it was, in fact, McCarthy's version of events that was the reality. But whatever the reality, all students of the period agree that it was the Wheeling speech that "launched the whole McCarthy era,"<sup>7</sup> and that transformed a relatively obscure junior Senator from the American Midwest into a national political figure.

The setting could not have been more typical for this type of party stump speech, for McCarthy was to address the Ohio County, West Virginia Women's Republican Club on Lincoln Day, at the McClure Hotel in Wheeling. Perhaps, quips Stanton Evans, they were expecting a speech on farm subsidy policies or housing problems—two areas of expertise for the visiting Senator—or perhaps even the predictable standard fare on "honest Abe" Lincoln and the founding of the Republican Party.<sup>8</sup>

What they received, however, was something quite different, and with it, the saga began. In his speech, McCarthy informed his audience of almost 300 people "that there was a serious problem of Communist infiltration at the State Department, *that this had been improperly dealt with*, and that strong measures would be needed to correct it."<sup>9</sup> It is important to note that McCarthy made no claim to having investigated these cases himself; rather, the whole point of his speech was that there were known security risks, and that these had not been adequately addressed.

The speech, while it certainly made his audience sit up and take notice, did not immediately attract any major national media attention, being covered only by the local radio station, with an article appearing the very next day in the local newspaper, the Wheeling *Intelligencer*, by reporter Frank Desmond.<sup>10</sup> In his article, Desmond quoted McCarthy as having claimed that he had a list of 205 persons within the State Department,

known to the Secretary of State, who were members of the Communist Party, and who were still employed in the Department. The Senator, however, “would always categorically deny that he had said this,” [11](#) and maintain that he had stated that he had a list of people who were either “card-carrying members” of or loyal to the Communist Party. [12](#)

Thus began the “numbers wrangle” between McCarthy, his supporters, and his opponents, a dispute which continues to this day, and while the numbers issue did not really address the substance of his allegations (that there were known security risks within the State Department that were still employed there), the numbers issue did affect his credibility and veracity, “and, it’s worth noting, that of his critics.” [13](#) By the time McCarthy had reached the last stop on his stump in Reno, Nevada, however, the Department of State had responded by issuing press releases, and what the Senator had actually stated was beginning to gain national attention, albeit slowly. [14](#)

Subsequently the State Department, and McCarthy Senate opponents William Benton (D-Connecticut) and Millard Tydings (D-Maryland), who would chair the Tydings Committee and its attempt to derail the Wisconsin upstart, produced five items in proof that McCarthy had lied about the numbers he cited in his speech. The first item was, of course, Frank Desmond’s article in the Wheeling, West Virginia *Intelligencer* which indeed cited the 205 number. The second item was a testimonial letter from Colonel Austin Wood, one of the newspaper’s executives, “more or less vouching for the Desmond story.” [15](#) The third, fourth, and fifth items were depositions from two members of the local Wheeling radio station—Paul Myers and James Whitaker—who maintained that they had compared the rough draft of McCarthy’s speech against the speech that he had actually given, and that the speech did in fact give the number 205, for the final item indicting McCarthy was the rough draft of the speech itself, which did indeed give the number as 205, a significant point, since Myers and Whitaker maintained that McCarthy had read his speech verbatim from the text. [16](#)

At the heart of the charge of McCarthy’s lying, therefore, is his own rough draft of the speech, an important point as we shall discover in a moment. It was this clear occurrence of the number 205 in the rough draft of McCarthy’s speech, plus McCarthy’s own insistence that he never said

that number, but rather used the number 57, that caused Senator William Benton to immediately introduce charges in the Senate for McCarthy's expulsion from that body(!), charging that he had lied and perjured himself and had changed his story after he fact.<sup>[17](#)</sup> The charges were brought before the committee chaired by Guy Gillette (D-Iowa) which promptly sent investigators to Wheeling to determine the truth of the matter.<sup>[18](#)</sup>

In the retrospective of contemporary politics, it seems astonishing that a mere numerical discrepancy should cause an immediate movement to expel a member from the U.S. Senate. After all, McCarthy had hardly disposed of over 30,000 emails, nor was he claiming that the eighteen-and-a-half minute gap in secret Oval Office tape recordings were due to a simple secretarial mistake with a Dictaphone foot-pedal. So why the sudden vitriol to have him removed from the Senate? Such actions are more evocative of desperation from people with something to hide. But if so, what was it?

Burrowing into the details a bit more, the Gillette committee's investigators uncovered "a number of intriguing things" about McCarthy's rough draft, the Desmond newspaper article and "the Myers-Whitaker affidavits."<sup>[19](#)</sup> For one thing, Desmond informed the committee's investigators that the number 205 was taken from McCarthy's rough draft, and not from what McCarthy actually stated when he delivered the speech at the McClure Hotel. He had acquired the rough draft of the speech from the local radio station, which apparently had acquired it from McCarthy himself. Worse yet (at least for Benton, Tydings, and Co.), Myers and Whitaker told the Gillette committee that McCarthy had read only portions of his speech, but ad-libbed many others, freely walking around the podium.

Worse still, the rough draft contained a number of egregious numerical errors of another nature altogether, namely, listing the population of the Soviet Union as "eighty billion" and the population of the free world as only "500 thousand."<sup>[20](#)</sup> Since the affidavits clearly stated McCarthy had read his entire speech verbatim, this posed a significant problem, for no one could remember McCarthy "saying anything that outlandish,"<sup>[21](#)</sup> and this poses yet another question, overlooked even by Evans: Why would McCarthy have composed such a speech citing such numbers? He was, after all, no fool, a graduate of Marquette University Law School, reputed to have a nearly-photographic memory,<sup>[22](#)</sup> and who had even once learned enough Russian to ask questions of a Russian witness during one of his

committee hearings.<sup>[23](#)</sup> How then did such absurd numbers find their way into his speech? Whatever the answer to this question, their presence in the rough draft belies the assertions that McCarthy read his speech verbatim.

## 2. Disconcerting Eyewitnesses

The Gillette committee investigators, in reconstructing the history of the rough draft, discovered that McCarthy informed the editor of the *Wheeling Intelligencer*, Herman Gieske, that the rough draft copy that he had supplied to reporter Desmond upon his arrival at the airport was *not* the speech he actually gave.<sup>[24](#)</sup> Eyewitness William Callahan told the committee investigators that the Senator had used two numbers, the larger number of 205, and that it was also his distinct impression that the smaller figure of 57 was also used. Eva Ingersoll, who was likewise in the audience that day, stated explicitly that 205 people were being investigated, and that of this number, 57 were members of the Communist Party. Asked how she could be so certain of these numbers, Mrs. Ingersoll stated that she had been so astonished when McCarthy had stated it, that she wrote both numbers down on her phone bill.<sup>[25](#)</sup>

Yet another serious problem surfaced for the Benton effort to have McCarthy removed from the Senate, this from Herman Gieske, the editor of the *Intelligencer*, who composed an editorial which appeared in the paper on Saturday February 11, 1950, the day after the Desmond article had appeared in the paper. In it, Gieske stated the following about the speech:

Senator McCarthy shocked his audience when he charged there are over fifty persons of known Communistic affiliations still sheltered in the U.S. Department of State. When such an allegation is linked with the brazen avowal by Secretary Acheson of his friendship for Alger Hiss, convicted of traitorous revelation of U.S. secrets to a Communist espionage apparatus, the situation becomes one of the most vital concerns to every American citizen. Mr. McCarthy was frank and blunt in his avowal of an intense desire to see the supercilious, incompetent Acheson removed from office as a result of a coalition of Republicans and Democrats on a patriotic basis.<sup>[26](#)</sup>

The paper had also run an article the morning *after* McCarthy's speech, on February 10, which did not contain the number 205, the clear implication being that McCarthy had never claimed there were 205 Communists in the government.<sup>[27](#)</sup> The *Denver Post* repeated the 57 number in its February 11, 1950 article covering McCarthy's visit.<sup>[28](#)</sup> McCarthy himself repeated the 57 number during his speech in Reno, and explicitly stated in a telegram to President Truman that "I have in my possession the names of 57 Communists who are in the State Department at present."<sup>[29](#)</sup>

The charge brought by Senator Benton that McCarthy had lied about his figures and should be expelled from the Senate was not looking too good. Nonetheless, the number of 205 entered the final report of the Tydings committee, and from there, "it would be repeated, and still is, in countless books, surveys of the Cold War era, and media productions of all types that Joe McCarthy was a liar. The stark contrast between such standard treatments and what is actually in the record would become a model for virtually all discussions of McCarthy now available to readers."<sup>[30](#)</sup>

The other component of the building mythology was that McCarthy needlessly smeared individuals by name in open committee session or on the floor of the Senate, hiding behind his senatorial immunity to do so. In order to understand how *that* began, one has to look at what happened when McCarthy returned to Washington, when he gave a detailed speech on the Senate floor, fleshing out his allegations, and at the Tydings committee that was ostensibly established to deal with them.

Before we do that, however, a word about methodology is now necessary. Obviously, in a book such as this, one cannot hope to go into all the details about the McCarthy era, nor about his defenders nor detractors (and both camps survive to this day). Our method, rather, is to review and summarize the very beginnings of that era, in order to place certain remarks from the Senator's own speeches and certain odd and peculiar facts into a greater context. Once that context is seen, the problematic breaks open with all its huge implications, implications that invite speculation, and which tie into the themes of the two previous sections of this book.

### *3. The Post-Wheeling Senate Speech: February 20, 1950*

Senator McCarthy returned to Washington on Saturday February 18, 1950, to a "tame reception."<sup>[31](#)</sup> The following Monday, however, McCarthy



rose on the Senate floor to read a lengthy speech into the record. In this speech, again, McCarthy clearly stated “I have in my hand 57 cases of individuals who would appear to be either card carrying Communists or certainly loyal to the Communist Party, but who nevertheless are still helping to shape our foreign policy.”<sup>32</sup> With this speech, the dance between McCarthy, his supporters, and, as we shall see, his sources—whoever and whatever they may have been—and his enemies began, and with this speech and the tactics of his opponents, the historiographic memes were set for decades to come.

### *a. Naming Names*

One of those memes is that McCarthy needlessly and recklessly attacked people by name on the Senate floor, hiding behind senatorial immunity. But a glance at this speech is quite revealing, for over and over, senators interrupt him in his reading of the cases he had, demanding that he name the names. Reading these exchanges is illuminating. McCarthy began by reading into the record the telegram he had sent to President Truman after his Wheeling speech:

In the Lincoln Day speech at Wheeling Thursday night I stated that the State Department harbors a nest of Communists and Communist sympathizers who are helping *to shape our foreign policy*. I further stated that I have I in my possession the names of 57 Communists who are in the State Department at present. A State Department spokesman promptly denied this, claiming there is not a single Communist in the Department. *You can convince yourself of the falsity of the State Department claim very easily. You will recall that you personally appointed a board to screen State Department employees for the purpose of weeding out fellow travelers—men whom the board considered dangerous to the security of this Nation. Your board did a painstaking job, and named hundreds which had been listed as dangerous to the security of the Nation, because of communistic connections.*

While the records are not available to me, I know absolutely of one group of approximately 300 certified to the Secretary for discharge because of communism. He actually only discharged approximately 80.

I understand that this was done after lengthy consultation with the now-convicted traitor, Alger Hiss. I would suggest, therefore, Mr. President, that you simply pick up your phone and ask Mr. Acheson how many of those whom your board had labeled as dangerous Communists he failed to discharge. *The day the House Un-American Activities Committee exposed Alger Hiss as an important link in an international Communist spy ring you signed an order forbidding the State Department's giving any information in regard to this disloyalty or the communistic connections of anyone in that Department to the Congress.*

Despite this State Department blackout, we have been able to compile a list of 57 Communists in the State Department. This list is available to you but you can get a much longer list by ordering Secretary Acheson to give you a list of those whom your own board listed as being disloyal and who are still working in the State Department. I believe the following is the minimum which can be expected of you in this case.

1. That you demand that Acheson give you and the proper congressional committee the name and a complete report on all of those who were placed in the Department by Alger Hiss, and all of those still working in the State department who were listed by your board as bad security risks because of their communistic connections.

2. That you promptly revoke the order in which you provided under no circumstances could a congressional committee obtain any information or help in exposing Communists.

*Failure on your part will label the Democratic Party of being the bedfellow of international communism.* Certainly this label is not deserved by the hundreds of thousands of loyal American Democrats throughout the Nation, and by the sizable number of able loyal Democrats in both the Senate and the House. [33](#)

This telegraph outlines what McCarthy's major concerns were:

- 1) There were people within the State Department who were known security risks;
- 2) These risks had been uncovered by Truman's own loyalty review board;

- 3) Nonetheless some of these people *remained* in the State Department, contrary to its claims, and were thus in a position to influence foreign policy (an important point as will be seen); and,
- 4) President Truman had instituted a “gag order” disallowing any State Department or other Federal agency cooperation with Congress, in the wake of the Alger Hiss affair. [34](#)

Shortly after reading this telegram into the record, the challenges began, when then Senate Majority leader Scott W. Lucas (D-Illinois, 1892-1968) asked McCarthy to yield:

Mr. LUCAS....What I am asking the Senator to do—and I hope he will do it, and the country wants him to do it—is to follow through with the speech which he made in Wheeling W. Va., in which he stated more than 200 persons working in the State Department were known to the Secretary of State to be members of the Communist Party. If the Senator made that statement—and that is what has been reported—I want him to name those Communists.... The Senator is privileged to name them all in the Senate, and if those people are not Communists he will be protected. That is all I want the Senator to do. If the Senator names those 205 card-carrying Communists, and he proves to be right, the Senator from Illinois will apologize for anything he has said about the Senator from Wisconsin.

Mr. McCARTHY. I wish to thank the distinguished Senator from Illinois for his view, but I should like to assure him that I will not say anything on the Senate floor which I will not say off the floor. On the day when I take advantage of the security we have on the Senate floor, on that day I will resign from the Senate. Anything I say on the floor of the Senate at any time will be repeated off the floor. [35](#)

In other words, McCarthy refused to name names on the floor. His reasons for doing so would emerge during the course of the speech.



*Senator Scott W. Lucas, D-Illinois, Senate Majority Leader, 1948-1950*

McCarthy then moved quickly to explain where the numbers 205, over 200, and so on, which he had used as well in his speeches on his stump speech tour (though, as we have seen not in connection to the “card-carrying Communists” issue), had come from:

Mr. McCARTHY....The Senator (Lucas) called my attention to something, and I am glad he did, otherwise I might have overlooked it. Incidentally, the speech in Reno, Nev., and that in Wheeling, W. Va., were recorded, so there is no question about what I said. I do not believe I mentioned the figure 205, I believe I said “over 200.” The President said, “It is just a lie. There is nothing to it.”

I have before me a letter which was reproduced in the CONGRESSIONAL RECORD on August 1, 1946, at page A4892. It is a letter from James F. Byrnes, former Secretary of State. It deals with the screening of the first group, of about 3,000. There were a great number of subsequent screenings. This was the beginning.

After another attempt by Senator Lucas to get McCarthy to yield, an attempt which McCarthy declined, he continued:

(Mr. McCARTHY.) The letter deals with the first group of 3,000 which was screened. The President—and I think wisely so—set up a board to screen the employees who were coming to the State Department from the various war agencies of the War Department. There were thousands of unusual characters in some of those war agencies. Former Secretary

Byrnes in his letter, which is reproduced in the C O N G R E S S I O N A L R E C O R D , says this:

“Pursuant to Executive order, approximately 4,000 employee have been transferred to the Department of State from various war agencies such as the OSS, FEA, OWI, OIAA, and so forth. Of these 4,000 employees, the case histories of approximately 3,000 have been subjected to a preliminary examination, as a result of which a recommendation against permanent employment has been made in 285 cases by the screening committee to which you refer in your letter.”

In other words, former Secretary Byrnes said that 285 of those men are unsafe risks. He goes on to say that of this number only 79 have been removed. Of the 59 I mentioned some are form this group of 205, and some are from subsequent groups which have been screened but not discharged.

I might say in that connection that the investigative agency of the State Department has done an excellent job. *The files show that they went into great detail in labeling Communists as such.* The only trouble is that after the investigative agency had properly labeled these men as Communists *the State Department refused to discharge them.* I shall give detailed cases. [36](#)

Note that the clear implication of McCarthy’s claims is that he has some source within the Department of State who was supplying him information from its own internal security investigation, and that among this information, there were known risks still employed.

This implication of some source within the State Department is reiterated later by McCarthy:

(Mr. McCARTHY.) To those who say, “Why do you not tell the State Department; why do you not give the names to the State Department?” *I say that everything I have here is from the State Department’s own files.* I felt, when the State Department asked for the names, without being willing to cooperate or to work with us, it was saying, “Tip us off; let us know on whom you have the goods.”

Case No. 1. The names are available. The Senators may have them if they care for them. I think however, it would be improper to make the

names public until the appropriate Senate committee can meet in executive session and get them. I have approximately 81 cases. I do not claim to have any tremendous investigative agency to get the facts, but if I were to give all the names involved, it might leave a wrong impression. *If we should label one man a Communist when he is not a Communist, I think it would be too bad. However, the names are here. I shall be glad to abide by the decision of the Senate after it hears the cases, but I think the sensible thing to do would be to have an executive session and have a proper committee go over the whole situation.* [37](#)

In other words, McCarthy was hoping for executive closed session to review the cases on a name-by-name basis, rather than the numbered cases he read into the record, precisely to avoid openly discussing the State Department's list by name in the public record.

Shortly after this statement, McCarthy began to review the first case on his list, and Majority Leader Lucas again asked McCarthy to yield:

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. LUCAS. Will the Senator tell us the name of the man for the RECORD? We are entitled to know who he is. I say this in all seriousness. The Senate and the public are entitled to know who that man is, as a result of the charge made by my friend. If he is a Communist, the Senator from Wisconsin knows that the Senator from Illinois will go right along with the Senator from Wisconsin.

Mr. McCARTHY. The Senator can come to my office as soon as I finish and receive the names. I intend to go through all the cases. *If it is the judgment of the Senate that it wants the names exposed on the Senate floor, which would be a very unusual procedure, I shall be glad to expose them.* The question is too important for either the Senator from Illinois or the Senator from Wisconsin to make the decision. [38](#)

This important exchange between McCarthy and Lucas, Democratic Majority leader, is significant, for what McCarthy is really doing is placing the onus of "naming names" in open session, and hence, the public record, on the majority party, something he knows it is unlikely to do. Somewhat later, in an exchange with Senator McMahon of Connecticut, McCarthy again suggests his information be gone over in executive session of any

Senate committee.<sup>39</sup> In this exchange with McMahan, McCarthy went on to state “I have said to the Senator that I am not indicting the 81.<sup>40</sup> I have said there is sufficient in the files to show that there is something radically wrong.”<sup>41</sup>

A short time later, yet another interesting exchange occurred between McCarthy and Republican Senator Owen Brewster of Maine:

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. McCARTHY. I ask the Senator from Maine to permit me to answer the Senator from Connecticut (McMahan) first.

If the Senator from Connecticut had been here a little earlier, he would have heard the majority leader demanding that we do exactly that. He demanded that I present the names and indict these people before the country, without giving them a chance to be heard.

I said “No, I will not do that unless the Senate demands it.” I said, “I have the information. I want to present it to any Senate committee, and have the committee decide about it.”

This information is nothing new. It has been there a long time. If the Senator or anyone else who is interested had expended sufficient effort, he could have brought this to the attention of the Senate.

I do not fancy at all this condemnation of an attempt to bring this matter before the Senate. I intend to give all the facts. From the information which I have before me, I agree with the intelligence agencies which have said, “These men should not be in the State Department.” I agree with the intelligence agencies who said “Do not give these men top-secret clearance.”

I may be wrong. That is why I am not naming them. But I think that soon—tomorrow—the proper Senate committee that is actually interested, not in investigating people who may be Communists, but in investigating as to whether or not the State Department is overrun with Communists, should examine into these matters.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. BREWSTER. Is not the essence of star-chamber proceedings that the public are not permitted to know the facts? Is not the essence of



the kind of government which we here are fighting the kind of executive government which refuses to permit the legislative authority to know the truth?

After the revelations in the Hiss and the Fuchs and some other cases would it not seem that the Congress should be permitted to exercise its historical authority, never denied until recent years; and does it not seem strange that the Executive would refuse to permit those in the Senate and in the House of Representatives the right to know what is going on in Washington?

I do not see how any defenders of democracy, in view of the Hiss and the Fuchs cases, can still maintain the right of the executive department of government to refuse—as has been occurring repeatedly in recent years—information from the files to be authorized to be seen by the committees of Congress.

Mr. McCARTHY. I may point out to the Senator that the Constitution gives the Congress the right to get the information which we have been demanding for some time. Under the Constitution, of course, the Congress has a right to that information. How we can force the President to give information to Congress I do not know.<sup>[42](#)</sup>

There then follows one of the most lengthy and remarkable exchanges, this time between Senator Garrett Withers of Kentucky, and McCarthy, when Withers makes another attempt to get McCarthy to name names in open Senate session, which, again, McCarthy refused to do, unless the majority of the Senate wished to do so.<sup>[43](#)</sup>

Later, as McCarthy reads his anonymous cases into the record, Withers tries again:

Mr. WITHERS....Does the Senator object to my divulging the names, if I see them? Have I that privilege?

Mr. McCARTHY. I think it is up to the proper committee—

Mr. WITHERS. I think we should tell the people who they are.

Mr. McCARTHY. I think it is up to the proper committee to decide whether it wants to divulge the names. Let me make myself clear to the Senator. If the majority of the Senate want me to divulge them in that

fashion, yes. But I am not going to follow the Senator's advice and say, "Here you are Senator, divulge them." Period.<sup>44</sup>

Around and around it goes, with both sides circling their wagons, with Majority Leader Lucas making one more attempt to get McCarthy to name names in open session of the Senate, with one clear goal being, according to Lucas, to get McCarthy to "come forward, along with the persons in the Intelligence Department from whom he has been able to get the information in the State Department."<sup>45</sup>

The rest, of course, is history, as the Tydings committee was established to deal with McCarthy's sensational charges, and there again, McCarthy made two attempts to have all sessions "naming names" held in executive session.<sup>46</sup>

#### *b. An All Too Brief Look at The Tydings Committee*

Eventually, of course, the Senate authorized the Tydings committee to hear and evaluate McCarthy's charges. M. Stanton Evans summarizes what we have reviewed:

This is a lot about a single matter, but it is a matter of utmost importance in assessing the usual image of McCarthy—and the stance of his opponents. Rather than McCarthy's recklessly naming people in public as Communists or security risks without providing them a chance to answer, it was Senators Lucas and Withers who demanded that precisely such a course be followed, and it was McCarthy who adamantly refused to do so.<sup>47</sup>

Having established the Tydings committee to deal with McCarthy's charges under the understanding that all sessions would be conducted in the open, McCarthy prepared his cases and to testify in public session, and accordingly gave his cases to the public. Only after this had been done, did the chairman, Millard Tydings, on the first day of the hearings, offer to McCarthy to go into executive closed session, after the Senator had handed the cases to the public, thinking that all sessions were to be open anyway. "With that," M. Stanton Evans notes, "the deed was done. 'McCarthyism' had at long last been committed, and McCarthy would henceforth be held

responsible for naming the names of his suspects in open session, thus smearing them in public.” [48](#)

## *B. Three Peculiar Episodes and Their Potential Meaning*

### *1. The Currency Plates Episode*

Tempting as it may be to rehearse the entire McCarthy era and the charges and counter-charges that reverberate down to our own day, our focus will now shift to three curious cases that were brought before McCarthy’s own sub-committee. As was seen in the last chapter, Major Jordan disclosed the shipment of occupation currency plates to the Soviet Union, plates which eventually allowed the Soviets to redeem occupation German marks for about \$250,000,000 dollars.

Needless to say, after the Republican sweep of 1952, McCarthy, now the head of his own committee with an investigative staff and subpoena power, began to probe more deeply, and one of these cases was precisely the transfer of the printing plates for the postwar occupation marks, “issued and redeemable by the United States” and which “were transferred to Soviet control by members of the treasury network.” [49](#) McCarthy committee member Karl Mundt quizzed Frank Coe about

...a memo he wrote passing along a Soviet request for more dies to print the occupation money... “At the time you wrote that memorandum, were you engaged in espionage activities in behalf of the Soviet government?” Coe replied, “I respectfully, under the protection of the Fifth Amendment, decline to answer the question.” When Mundt further asked, “Are you now a member of the Communist Party?” Coe respectfully passed on that one also. [50](#)

But there were much more serious money matters lurking in the wings.

### *2. The China Problem: Henry Morgenthau and Chiang Kai-shek’s Gold*

McCarthy, like many others in the United States House of Representatives and the United States Senate and in both parties, questioned why, and how, Chiang Kai-Shek’s Nationalist China had been routed in

1949 by the Communists. In this respect, M. Stanton Evans mentions one significant episode:

Especially notable were scenes in late 1944 and early '45, bracketing the Adler memo to White on cutting off the flow of funds to Chiang. In these conclaves, Morgenthau kept asking his staff about the gold loan promised to KMT finance minister Kung. The Secretary was being badgered by Kung and was asking his advisors why the gold was not delivered. They patiently explained that there were technical issues, shipping problems, glitches; and anyway the gold would be wasted on the corrupt regime of Chiang. An extremely candid version of the matter would be supplied by White, who admitted in so many words that the loan had been deliberately obstructed.

After his amazingly frank discussion of the gold loan record, White still undertook to persuade Morgenthau that the Treasury had been right in its obstructionism, "because the money is being badly used." Others from time to time would discuss the issue with Morgenthau in similar fashion, suggesting that the gold be withheld or doled out in dribbles.<sup>[51](#)</sup>

But as I noted in *Covert Wars and Breakaway Civilizations*, much Chinese gold, some 1,665 metric tons, was loaned by various Chinese in Chiang Kai-Shek's government in exchange for Federal Reserve Bearer Bonds bearing the name of U.S. Treasury Secretary Henry Morgenthau.<sup>[52](#)</sup>

In other words, putting two and two together, it appears that Chiang's gold was simply stolen, and American support for his government allowed to lapse, in the hopes that if his government fell, there would be no reason to return the gold. With Truman's 1947 decision to create a hidden system of finance to fund covert operations and black projects, the theft of this gold and its mere existence would constitute a national security issue. McCarthy, by his persisting inquiries into the reasons for the expulsion of Chiang's Nationalist government from mainland China, might have been getting too close to a massive national security matter and secret, one that the Truman administration simply could not acknowledge in any fashion. It is also interesting to note that Morgenthau, whose name ostensibly appears on the 1934 "bearer bonds," appears to be in the dark about all these matters.<sup>[53](#)</sup>

### *3. UFOs, and Dr. Edward Condon, Security Risk*

One of the most intriguing and suggestive cases to come out of the whole postwar era, though not from McCarthy's committee itself though certainly on his radar screen,<sup>54</sup> was Dr. Edward Condon, who was not only "sometime science advisor to the congressional Joint Committee on Atomic Energy" but also the center of an FBI investigation.<sup>55</sup> Condon had come to the attention of the House Un-American Activities Committee, which had also learned of an FBI report concerning him held by the Department of Commerce.<sup>56</sup> The wartime head of the atomic bomb project, the Manhattan Project under General Leslie Groves, "who considered Oppenheimer an acceptable risk, did not so consider Condon."<sup>57</sup> Whatever Condon's risks or associations may have been, it is the same Condon that would chair the US Air Force's UFO study and report from 1966-1968.

#### *C. The Crucial Problematic of the Historical Record and Some Speculations*

With the presence of Condon (and through him, the subject of UFOs), and "off-the-books" gold with all its implications for a hidden system of finance to fund covert operations and secret research, one is in the presence, perhaps, of hidden reasons why the opposition not only to McCarthy, but to similar congressional inquiries, was so intense; there were larger secrets to be kept, and Truman and later Eisenhower, intended to keep them. Similarly, all of this points out an obvious problematic of the historical record, yet one that has gone unnoticed and thus, has never been commented or speculated upon. Whatever one makes of the whole arc of government inquiries into Communist espionage and penetration of departments of the Federal government, from the Dies and Lee House Committees, the Nixon-Whittaker Chambers-Alger Hiss episode in the House Un-American Activities Committee, through McCarthy and beyond, and whatever one makes of Senator McCarthy and his activities, the historical record is clear: there *was* Communist infiltration and penetration of the American government, an activity that reached its height during the Roosevelt Administrations, and which, notwithstanding Truman's own efforts to root it out, continued, oftentimes with known or identified security risks continuing to move from one department to another, much to the perplexity of McCarthy and other Senators and Congressmen.

The problematic occurs only when one juxtaposes this phenomenon *with the equally known and documented fact that there was a similar Nazi penetration and influence within the Federal Government during the postwar period*, not only in the form of the now well-known Operation Paperclip which brought hundreds of Nazi scientists to this country to work in various advanced and covert American space and military projects, but which also, in the form of the intelligence agreements between Nazi major general [58](#) Reinhard Gehlen and American intelligence, left Gehlen's vast military intelligence organization intact after World War Two—with Gehlen himself running it—as an integral component of postwar American intelligence. The influence of this organization during the period immediately after the war upon American assessments of Soviet capabilities and intentions was immense, with the Gehlen organization's reports and analyses often simply “retyped onto CIA stationary and presented to President Truman without further comment in the agency's morning intelligence summaries.” [59](#)

How, then, might one reconcile these two phenomena? What is their relationship, and how might that relationship have affected the events we have been summarizing here? What role might the presence of Communists *and* Nazis within the Federal government have played behind the scenes? The possibilities and implications are all disturbing—no matter how one slices the pie nor on which side in the affair one falls. One overarching possibility, however, must be mentioned, and that is that perhaps a great conflict between these two ideologies and their partisans within the American government were being played out, perhaps unbeknownst to all but a few of the principals in the drama. The requirements of establishing such possibilities are beyond the scope of the present book, but it should be noted that at the minimum, the dogged persistence of the junior Senator from Wisconsin, his allies, and his enemies represented a potential threat to the whole tapestry of hidden arrangements of secret finance, and bargains with other, Fascist and not Communist, devils. For it is undeniable, and intriguing, that hovering on the peripheries of the whole arc of the efforts of the various congressional committees of the “McCarthy era” to explore the depth of Communist infiltration, are the implications of hidden systems of finance, Nazis, and UFOs, for that comprehensive history of the postwar period of American politics, one encompassing and integrating all these factors, has yet to be written.

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1 M. Stanton Evans, *Blacklisted by History: The Untold Story of Senator Joe McCarthy and His Fight Against America's Enemies* (New York: Three Rivers Press, 2007), p. 449.

2 M. Stanton Evans, *Blacklisted By History: The Untold Story of Senator Joe McCarthy and His Fight Against America's Enemies* (New York: Three Rivers Press, 2007), pp. 448-449.

3 M. Stanton Evans, *Blacklisted by History*, pp. 17-18.

4 M. Stanton Evans, *Blacklisted By History*, p. 444.

5 Ibid. It should also be noted that the American conservative political talk show host and commentator, the late William F. Buckley, also began his career along with another commentator, a frequent guest on the American Fox television network, L. Brent Bozell, when both men wrote the first extensive defense of McCarthy in their book, *McCarthy and His Enemies*.

6 John McAdams, "The Kennedys and McCarthyism," 1995-2013 <http://mcadams.posc.mu.edu/progjfk2.htm>

7 M. Stanton Evans, *Blacklisted by History*, p. 181.

8 Ibid., p. 179.

9 N. Stanton Evans, *Blacklisted by History*, p. 179, emphasis added.

10 Ibid., p. 180.

11 Ibid.

12 Ibid.

13 Ibid., p. 181.

14 Ibid., p. 180.

15 M. Stanton Evans, *Blacklisted By History*, p. 181.

16 Ibid.

17 Ibid.

18 The Gillette subcommittee's formal name was the Subcommittee on Privileges and Elections of the Senate Rules Committee, and its report was "Report of Preliminary Investigations of Senator William Benton's Charges Against Senator Joseph McCarthy, Relating to Senate Resolution 187." See Evans, op. cit., p. 615, Chapter 14: Wheeling, 1950, n. 3.

19 M. Stanton Evans, *Blacklisted by History*, p. 182.

20 Ibid., p. 183.



[21](#) Ibid., p. 183.

[22](#) Ibid., p. 29.

[23](#) Ibid., p. 33.

[24](#) M. Stanton Evans, *Blacklisted By History*, p. 184.

[25](#) Ibid., p. 185.

[26](#) Herman Gieske, "Senator Joe McCarthy's Visit to Valley Area," *The Wheeling Intelligencer*, Saturday, February 11, 1950, cited in M. Stanton Evans, *Blacklisted by History*, p. 187. Evans actually reproduces the actual editorial on this page.

[27](#) M. Stanton Evans, *Blacklisted By History*, p. 188.

[28](#) Ibid., p. 189.

[29](#) Ibid., p. 190.

[30](#) Ibid. p. 193.

[31](#) M. Stanton Evans, *Blacklisted by History*, p. 194.

[32](#) Ibid., p. 197.

[33](#) Joseph R. McCarthy, "Speech Delivered in the U.S. Senate, February 20, 1950, in Joseph R. McCarthy, *Major Speeches and Debates of Senator Joe McCarthy Delivered in the United States Senate, 1950-1951*, p. 5, emphasis added.

[34](#) Truman had, in fact, called the whole Hiss affair, perhaps in an inadvertent and unwise choice of words, as "a red herring."

[35](#) Joseph R. McCarthy, "Speech Delivered in the U.S. Senate, February 20, 1950, in Joseph R. McCarthy, *Major Speeches and Debates of Senator Joe McCarthy Delivered in the United States Senate, 1950-1951*, p. 6.

[36](#) Joseph R. McCarthy, "Speech Delivered in the U.S. Senate, February 20, 1950, in Joseph R. McCarthy, *Major Speeches and Debates of Senator Joe McCarthy Delivered in the United States Senate, 1950-1951*, pp. 6-7.

[37](#) Ibid., p. 17, emphasis added.

[38](#) Joseph R. McCarthy, "Speech Delivered in the U.S. Senate, February 20, 1950, in Joseph R. McCarthy, *Major Speeches and Debates of Senator Joe McCarthy Delivered in the United States Senate, 1950-1951*, pp. 17-18, emphasis added.

[39](#) Ibid., p. 34.

[40](#) McCarthy had, by this point in his speech, begun to read details of 81 cases into the record, which he claimed to have received from the State Department's own files. Again, McCarthy was simply referring to these cases by number, and not naming the individuals on the floor of the Senate in open session.

[41](#) Joseph R. McCarthy, "Speech Delivered in the U.S. Senate, February 20, 1950, in Joseph R. McCarthy, *Major Speeches and Debates of Senator Joe McCarthy Delivered in the United States Senate, 1950-1951*, p. 35.

[42](#) Joseph R. McCarthy, "Speech Delivered in the U.S. Senate, February 20, 1950, in Joseph R. McCarthy, *Major Speeches and Debates of Senator Joe McCarthy Delivered in the United States Senate, 1950-1951*, pp. 35-36.

[43](#) *Ibid.*, pp. 42-43

[44](#) Joseph R. McCarthy, "Speech Delivered in the U.S. Senate, February 20, 1950, in Joseph R. McCarthy, *Major Speeches and Debates of Senator Joe McCarthy Delivered in the United States Senate, 1950-1951*, p. 45

[45](#) *Ibid.*, pp. 46-47. The quotation is from page 47.

[46](#) Joseph R. McCarthy, "Information on Lattimore, Jessup, Service, and Hanson Cases," in Joseph R. McCarthy, *Major Speeches and Debates of Senator Joe McCarthy Delivered in the United States Senate, 1950-1951*, pp. 61-62.

[47](#) M. Stanton Evans, *Blacklisted by History*, p. 203.

[48](#) M. Stanton Evans, *Blacklisted by History*, p. 205. See also pp. 204-205.

[49](#) *Ibid.*, p. 42.

[50](#) M. Stanton Evans, *Blacklisted by History*, pp. 42-43.

[51](#) *Ibid.*, p. 106.

[52](#) Joseph P. Farrell, *Covert Wars and Breakaway Civilizations: The Secret Space Program, Celestial Psyops, and Hidden Conflicts* (Kempston, Illinois: Adventures Unlimited Press, 2012), pp. 173-174.

[53](#) It is also interesting to note that Adam Lebor states that German diplomat Adam von Trott zu Solz had a transfer arranged for five hundred dollars from the Institute of Pacific Relations, a think tank that figured prominently in McCarthy's investigations, via the Bank of International Settlements, to Switzerland (See Lebor, *Tower of Basel*, p. 99). Given the

heavy Nazi presence in the BIS during World War Two, it seems possible that they might have had some knowledge of the IPR's activities. Adam von Trot zu Solz was hanged by the Nazis for playing a part, allegedly, in the July 1944 bomb plot against Hitler.

[54](#) M. Stanton Evans, *Blacklisted by History*, p. 359.

[55](#) M. Stanton Evans, *Blacklisted By History*, p. 132.

[56](#) *Ibid.*, p. 173.

[57](#) *Ibid.*, p. 325.

[58](#) It should be noted that the rank of Major General (*Generalmajor*) in the German *Wehrmacht* was equivalent to an American Brigadier General, and was thus not a two star, but a one star, general.

[59](#) Christopher Simpson, *Blowback: The First Full Account of America's Recruitment of Nazis, and Its Devastating Effect on Our Domestic and Foreign Policy* (New York: Collier Books, 1988), p. 53.

**DANGLING THREADS AND RADIOACTIVE SPECULATIONS : A VERY BRIEF  
EPILOGUE**

*“In 1989-91, the Communists throughout Eastern Europe, as in the Soviet Union, adopted the ‘Third Way’: **the acquisition of false political labels to mask their continuing covert Communist/socialist orientation.**”*

Christopher Storey<sup>1</sup>

**O**N OCTOBER 30, 1961, THE SOVIET UNION EXPLODED the largest thermonuclear bomb ever tested atmospherically, the so-called “Tsar Bomba,” on the Arctic circle island of Novaya Zemlya. With an estimated yield of between 50 to 57 megatons (with some sources going as high as 67 megatons), the “Tsar Bomba” was the largest man-made explosion ever achieved. The standard explanation was, and remains, that Nikita Khrushchev’s Soviet Union was flexing its thermonuclear muscle by demonstrating that it could design a deliverable weapon of such enormous destructive power. The test occurred during the Twenty-Second Communist Party Congress, along with the test of a ballistic missile fired into the Central Pacific ocean at a distance of approximately 8,000 miles. Wooden and brick buildings 34 miles from ground zero were flattened and windows as far away as Norway were broken, and the seismic shock wave sent through the Earth was that of a 5 point earthquake on the Richter scale, “echoing” around the entire planet in measurable form no less than three times.<sup>2</sup> Following the massive Soviet atmospheric test, the United States “conducted several small *underground* tests”<sup>3</sup> The usual standard interpretation of these events is that they were the final tests prior to the signing of the Nuclear Test Ban Treaty, negotiated by President John F. Kennedy, and signed by the big three nuclear powers, the United Kingdom, the United States, and the Soviet Union.

But what if these tests represented something very different, something having the appearance of an arms race, but in fact a highly covert and secret coordinated effort? Given the Tsar Bomba’s test within the Arctic Circle

and in the atmosphere, and the smaller American underground tests which followed it, it is possible—at least from a physics point of view—that tests were really being coordinated to test planetary resonance and even, perhaps, those places where the seismic waves appeared to be “amplified” or “damped” on the world “grid.” Yet, for such tests to be coordinated would have required some sort of go-between, an intelligence presence both inside the Soviet Union and the United States with access to their respective test schedules, with access to those able to schedule the tests, and with access to the results. During the early 1960s, of course, the only organization with such a presence in both countries, able to relay test schedules for any potential coordination was, of course, General Reinhard Gehlen’s organization, by now the official West German intelligence establishment, the *Bundes-nachrichtendienst* (BND).

The mind boggles at the possibility that there may have been hidden coordination of such nuclear tests, for it raises yet another possibility, namely, that the ultimate purposes of such tests may not have been known either to the Soviet or American scientists conducting them, concerned as they were with more mundane things such as the yields of the weapons they were testing. However, all of this is the purest radioactive speculation. There is nothing to suggest coordination *except the fact that the Tsar Bomba was atmospheric, and the post-Tsar Bomba American tests were underground, as if tests were being conducted on the entire cavity resonance system of planet Earth and her magnetosphere. In other words, there is nothing to suggest close coordination, except for the possible physics itself.*

Communists, Nazis, Americans, hidden systems of finance, hydrogen bomb tests and planetary resonance...

...but beyond this, there’s absolutely nothing to be concerned about.

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<sup>1</sup> Christopher Storey, *The European Union Collective*, p. xxvii, emphasis in the original.

<sup>2</sup> “Tsar Bomba,” [http://en.wikipedia.org/wiki/Tsar\\_Bomba](http://en.wikipedia.org/wiki/Tsar_Bomba)

<sup>3</sup> Storey, op. cit., p. 127.

## CONCLUSIONS TO PART THREE

“...it is possible that future generations will refer to the period 1914-present as the ‘Second Hundred Years War.’” Peter Levenda<sup>[1](#)</sup>

THE LABYRINTHINE TRAIL UPON WE HAVE EMBARKED twelve chapters ago is now concluded, and hence, it is necessary to recapitulate the conclusions of the previous two parts of the book, and add to them the insights and implications of this last part of the book. We shall repeat verbatim the conclusions of the previous parts, so that the added implications become clearer in the context:

*A. The Conclusions to Part One*

- 1) The Madrid Circular of 1950 was the alleged product of the German Geopolitical Center in Madrid, and thus allegedly of the postwar Nazi International. However, as was seen in chapter one, this author was unable to find any corroboration of the existence of this document beyond the books of T.H. Tetens. Thus, a methodology of corroboration had to be developed by seeking historical antecedents within Imperial and Nazi Germany, and in postwar West German foreign policy. When viewed in this fashion, a number of the Circular’s policy positions appear not only to have been adopted, but the Circular itself appears unusually prescient of developments occurring decades later. Among these developments, one must take particular note of the following:
  - a) The document advocates the creation of a European community, inclusive of a customs union or common market, which federation would leave Germany, as the dominant economic power, in the position of the most influence. The purpose of the federation on the world stage is to create a “third way” between the opposing Communist and Atlantic blocs, with the federation

serving to amplify German geopolitical influence on the world stage;

b)The Circular advocates the policy of promoting East-West bloc tensions even to the point of a war between the USA and USSR,<sup>2</sup> while the German-led Europe remained neutral in such confrontations, emerging as the clear leading power bloc after such a conflict. Certain key steps are involved in implementing this strategy:

i)The Rapallo Treaty of the 1920s between the Soviet Union and the Weimar Republic is to be used to rearm West Germany and circumvent any treaty restrictions imposed on it on the development of certain armaments capabilities, particularly atomic, biological, or chemical weapons of mass destruction.<sup>3</sup> As was seen in the previous pages, the Rapallo *Prinzip* was faithfully followed by the German Federal Republic as agreements for economic cooperation with “pariah nations” such as South Africa, Israel, and Iran were used to disguise extensive military coordination and the technological transfers necessary to acquire the complete nuclear fuel cycle, and nuclear and thermonuclear weapons, via proxy states. This extensive proliferation effort serves to create *extraterritorial* nuclear and thermonuclear capabilities in the hands of the large corporations and cartel arrangements making it possible, and also creates a multi-layered redundancy in the proxy states utilizing German nuclear technology, which includes continental Europe’s only declared thermonuclear power, France.

ii) The Circular explicitly states that “for us,” i.e., the Nazi International, “the war never stopped,”<sup>4</sup> and draws clear support for this in the lack of any formal representative of the Nazi Party at any of the formal surrenders of 1945. The clear implication of this assertion is that the Nazi International was alive and well in the heart of Germany and Europe itself, a point corroborated in official British



reports concerning the Naumann Coup attempt against Adenauer's government, as will be seen below:

- iii) The long term goal was to isolate America via the short-term, and successful, derailment of the Morgenthau Plan to de-industrialize Germany,<sup>5</sup> and then to manipulate the USA into increasing isolation of its “dollar diplomacy” via engineered wars, economic crises, and destabilization of the Middle East,<sup>6</sup> while simultaneously the German-led European federation pivoted its economic trade to the East;<sup>7</sup>
  - iv) Once this occurred, the USA would be forced to rely increasingly on more and more force and a “unipolar attitude,” accurately anticipated by the Circular, and once this occurred, the terms of the Atlantic Alliance could be voided, since America will have become the aggressor nation, and the European nations would be under no obligation to join its military ventures;<sup>8</sup>
  - v) All of this would be accomplished via covert operations and an extensive network of contacts in industry and government—including America<sup>9</sup>—a network which the Circular explicitly states may have included personnel “executed for treason” in the July 1944 “bomb plot” against Adolf Hitler, a breathtaking assertion either suggesting that the plot was a deliberate false flag event to deceive the Allies, protect high-ranking Nazis by making them “dead” to further Allied investigation (after all, one does not search for people one assumes are dead), or a crisis of opportunity exploited by the Nazi hierarchy for the same purpose;<sup>10</sup>
- 2) The stated goal of the Madrid Circular of a German-led European federation was in fact a consistent goal of members of the German military, political, and financial elite from General Bernhardt and *Reichskanzler* Theobald von Bettmann-Hollweg prior to and during World War One, to post-World War Two West German Chancellors from Adenauer to Helmut Kohl, Gerhard Schröder and Angela Merkel. While we have yet to examine the Nazis and their own statements and plans for European Union in any detail, which will be the main subject of the next part of this book, what is evident

thus far is that the Madrid Circular accurately reflects the consistency of this vision;

a) We have noted, however, that certain Nazi documents beginning in 1943 and continuing right to the end of the war, including Generalplan 1945, advocated such a German-led European federation. Additionally, we noted that the Generalplan 1945 spelled this out in terms of political federation, economic union, and as will be seen in the next part of this book, an amalgamation of law and jurisprudence. This union is to eventually include European Russia in its embrace. [11](#)

b) Those wartime Nazi documents also advocated a policy of psychological warfare against the Western powers, and we suggested in the previous pages that the Naumann Coup attempt against Adenauer's government, the responsibility for which the British explicitly laid at the feet of the postwar Nazi International, was one such operation, since the operation allowed the Adenauer government, notwithstanding its own Nazis and pro-Nazi sympathizers, to appear moderate.

3) Finally, we observed the pattern of interlocking corporate and cartel driven military and political manipulation of Islam by means of radicalizing it, and in radicalizing it, weaponizing it for use in destabilizing the Middle East and upsetting British and American interests in the region. The result, again, has been exactly that as predicted by the Madrid Circular, for as Washington must increasingly use a heavy hand in the region, it becomes increasingly isolated. In the case of the German nuclear "cartel," we discovered that the German nuclear industry, in its historical roots, is comprised largely of the component companies of the IG Farben cartel, all working in concert, a point which suggests that while Farben may be officially dead in name, it is dead *only* in name. Given the consistent connection of German policy toward radical Islam, and its promotion of jihad since the days of the Kaiser and its consistent ability to endure shifts of government in Iran from World War Two through the overthrow of both Mossadegh and the Shah, the known Nazi connections to other radical Islamic groups, it was even suggested that the "war on terrorism" might be a convenient cover

for a war on the Nazi International, a war which America and her allies would have great difficulty selling to their populations.

### *B. Conclusions to Part Two*

4) Definite parallels exist between the structure of the Exchange Rate Mechanism of the 1980s and 1990s, and today's European Union, and the wartime plans of the Nazis in the following respects:

a) "Peter Oldfield's," a.k.a. Per Jacobssen's novel *The Alchemy Murderer* details interwar League of Nations recommendations for the construction of enormous chemicals cartels with sufficient power:

- (i) to oppose the warmaking powers of nation-states;
- (ii) to establish and maintain international economic order;
- (iii) to function as a mechanisms and agents of technology transfer via patents and licensing agreements;
- (iv) As was seen, however, the only cartel of such international extent was I.G. Farben, which functioned as the principal component of the Nazi war machine;

b) The Bank of International Settlements was conceived by German banker Hjalmar Schacht as an independent "sovereign" entity ostensibly for the purpose to handle war reparations payments, but functioned in practice, particularly during the war, as the international agent and clearinghouse for Nazi cartel interests. There are definitive indicators that the BIS functioned, and may still function, as the central and principal component of a hidden system of finance in the following ways:

- (i) Given its "sovereign" status, the BIS is allowed diplomatic pouch immunities, and was and is thus in a position to launder bearer-securities of all types, as well as currencies, a function which it performed during the war;
- (ii) The Nazis in the form of Karl Blessing, Kurt von Schröder, IG Farben COE Herman Schmitz and other Schacht-sponsored appointees to its Board of Governors, viewed the Bank and its utopian objectives—those having to do with the meme of the obsolescence of the nation-state—as

being exploitable by the Nazi-Cartel regime, which had adopted similar language for its own purposes of European power politics;

- (iii) The continuity of the political and financial “European-Reich” outlook of the Nazi-Farben alliance is continued after the war by the prominent position of Nazi financiers in postwar German financial institutions, such as Blessing’s presence in the postwar West German *Bundesbank*;
- (iv) As such, the BIS was also viewed as a principal means for the postwar mitigation of Allied treatment of Germany and was a key component of Nazi survival, and the Party’s strategic evacuation plans to move large amounts of capital out of Europe;
- (v) The BIS functioned as a principal means of the continuation of wartime contact between the German financial-cartel elite on the one hand, with sympathetic American counterparts such as the Dulles-Bush-Harriman “axis” that ran through the Wall Street firm of Sullivan and Cromwell, via its wartime American president Thomas H. McKittrick; [12](#)
- (vi) Given its ability to move physical paper, in the form of agreements, securities, currency, and so on via diplomatic pouch, the speculative suggestion was advanced that the move to digital cashless societies might be a move of the financial power elite to maintain “transparency” of public finances, while maintaining its own opacity to public scrutiny. This view was argued in the context that a hidden system of finance *might an very well would be dependent on the movement of physical paper—in the form of bearer bonds and other bearer instruments—through a system of “diplomatic pouch” immunity such as is possessed by the Bank of International Settlements*. A hidden system based on such “bearer instruments” and the movement of actual physical paper through such channels would be totally opaque to any public oversight or individual national

scrutiny. This would allow the creation of a truly international system of hidden finance, one that could very well be utilized for the funding of black projects on an international scale and order. In such a system, an institution like the BIS would be essential, for the BIS essentially functioned as a kind of Venetian *banco di scitta*, but on an international scale. These facts and speculations may explain why the BIS survived and outlived its ostensible purpose of handling interwar reparations payments, and why it survives today, though the Schacht-Sukarno episode indicates that other banks are involved in this system;

c)The joint plans of the Nazi Party-I.G. Farben “coalition” and “marriage” focused on a *staged* integration of a European *Reich* or federation around a German core and leadership. This staged development focused on two principal means, techniques, and areas:

- (i) A “European Reich” project would first require the harmonization of various European nations’ patent law, as outlined by Walter Hallstein in his infamous “Hegemony Speech,” and by Sölter’s 1942 study. The principal means by which this could be quickly and effectively accomplished was by bypassing national and provincial legislatures and parliaments, by establishing European-wide *regulatory* bureaucracies to oversee different areas of the “large space” (i.e., European) economy and markets. This, as was seen, bears an uncanny resemblance to the bureaucratic structure of the current European Union, which, as was seen, showed Walter Hallstein involved at every crucial step in its formation. CERN, it should be noted, was one such agency created, and was given, like the BIS, a “cartel” and “trust”-like structure, and a kind of limited sovereignty.
- (ii) Coincidental to this, a “Reichsmark” zone would be established based on the idea of “margin-pegs” of other currencies within the zone to the Reichsmark, a plan that,

again, was fulfilled by the establishment and operation during the 1980s and 1990s of the Exchange Rate Mechanism, wherein other European currencies, including eventually the French franc and Italian lire were pegged to the West German *Deutschmark*.

5)The pattern of the close relationship between high finance and high technology and physics, a pattern begun in ancient times, is continued in Europe's CERN, which has, as noted, a limited kind of "sovereign status" in international law, making it a perfect candidate for conducting a twin-track system of experiments, a public one, and a secret or covert one, since there is no single nation state overseeing it. As a "European" institution, however, the influence of the larger member-nations within it is palpable, particularly that of Germany which, as was also seen, was CERN's largest contributor. Given the fact that CERN admits that its Large Hadron Collider is designed to create and detect the creation of quark-gluon condensates, antimatter-matter asymmetry experiments, and so on, it may also be viewed as continuing the wartime pattern of the *Kammerstab* which, according to a British intelligence agent, worked in "monstrous areas of physics on a daily basis." Additionally, other factors are indicative of the possibility of hidden or covert projects within the LHC experimental management structure:

a)CERN's Large Hadron Collider represents a "cosmology cartel and trust," since it has control over:

(i) the machines of the accelerators and the Collider itself, thus making any truly independent verification of its experiments impossible;

(ii) the *information* generated from its experiments; and,

(iii) the "filtration" or selection of data from those experiments to be communicated to its member scientists for study and interpretation.

b)The "data filtration algorithms" however, suggest the possibility that the *rejected* raw data could be siphoned and filtered itself, and thus the possibility arises that other experiments in the form of *data correlations* between Collider activities and other

systems such a weather and geological or geophysical systems, might be coordinated secretly;

- c) Finally, in our extremely speculative scenario, we suggested the possibility that the Collider and its Detectors, along with the involved scientists, might be creating the effects they observe as artifacts of the machine itself, when it is understood from a “Kronian” point of view that *all* electrical machines are networks of hyper-dimensional spaces. In this respect, we also suggested the extremely speculative notion that one aspect of a covert or secret experiment that might be being run is a socio-physical engineering experiment to tests the effects(if any) and limits of group observers on physical experiments. If such extreme speculations were true, it would indeed constitute another example of “working in monstrous areas of physics on a daily basis.”

### *C. Conclusions and Implications of Part Three*

5) Postwar American domestic politics occurred in the crucible of the confrontation of various Congressional committees with the reality of wartime Communist infiltration of, and influence over, the various departments and policies of the Federal government, most notably and famously, or, depending upon one’s lights, infamously embodied and symbolized in the investigations of Wisconsin Senator Joseph McCarthy, though certainly not confined to him. During this era, a number of peculiar connections emerged, including

- a) connections between American Far Eastern policy, especially toward China, and the theft of Nationalist China’s gold, a subject intimately connected to the Bearer Bonds Scandals and the establishment by President Truman in 1947 of an entirely hidden system of finance based upon recovered Axis loot;
- b) the transfer of American occupational marks engraving plates from the USA to the USSR during the course of World War Two, via Lend-Lease shipments;
- c) the transfer of crucial atom-bomb secrets and components from the USA to the USSR under the direct and explicit authorization



of a high advisor to President Franklin Roosevelt in the form of Harry Hopkins;

- d) the presence of Dr. Edward Condon as a “security risk” in the national security architecture of the USA, in judgment of Manhattan Project chief General Leslie Groves. While Condon was never directly involved in any of the McCarthy committee probes, he was certainly known to the Senator, as well as to other Congressional security committees, as a potential security risk. This places his authorship of the subject US Air Force sponsored UFO study, the Condon report of the 1960s, into a curious light, for it implies a potential ability to blackmail or otherwise coerce Dr. Condon into making the “correct” findings on the subject. Put differently, Condon’s dubious status in the estimates of some persons within the national security establishment make the potential of outside covert influence on his committee possible, and thus vitiate any claims to objectivity his UFO study may have.
- 6) The presence both of Nazis and of Communists within postwar American federal departments and agencies suggests the possibility that much of the postwar security struggles—as exemplified in the various postwar Congressional committees of the “House Un-American Activities Committee-McCarthy era”—may have been public manifestations of much deeper and more hidden confrontations between those two factions and their American allies on the political left and right in the postwar U.S.A. Consequently, no adequate and detailed historical study yet exists of the potential interplay between these forces and factions within the postwar American national security state, its covert operations, black research projects (inclusive of the UFO issue), and the hidden systems of finance designed to fund them. Put differently, previous studies of this crucial period have concentrated only on one aspect of the problem: the claims of McCarthy, or the effect of Nazi recruitment in Operation Paperclip, or the beginning of the UFO phenomenon and the response to it, and so on. But I believe enough has been presented here, and in some of my previous books, to indicate that an integrative approach to all these things and to the historiography of the period is needed. [13](#)

One thing does, however, emerge clearly from the previous chapters: the idea that there was no “Nazi International” would appear to be belied by the postwar realities in Europe, and by their all too detailed resemblance not only to the war aims of Germany in both World Wars, but also by the parallels between the detailed planning of the Nazis during the Second World War, and contemporary European Union institutions. More importantly, the uncanny prescience of the Madrid circular, a document composed in 1950, would appear to have been more than vindicated by the course of events from then until now. And perhaps most disturbingly of all, that new “Europe,” like its Nazi and Fascist forebears, seems to be involved in potentially monstrous physics experiments on a daily basis.

With both Nazis and Communists in the mix and potentially in conflict behind the scenes domestically and internationally, with a hidden system of finance and colossal science projects playing with anti-matter and searching for “a new physics” within an institution that has a kind of international sovereign status all of its own, the stakes are too high to ignore the possibilities presented by the two great socialist ideologies of the twentieth century lurking in the background.

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[1](#) Peter Levenda, *The Hitler Legacy*, p. 59.

[2](#) p. 9. All page references in this chapter are to previous pages of this book.

[3](#) pp. 11-12.

[4](#) pp. 17-18.

[5](#) p. 19.

[6](#) pp. 25-26.

[7](#) p. 27.

[8](#) pp. 28-29.

[9](#) pp. 16-17.

[10](#) pp. 30-31.

[11](#) pp. 62, 64-65.

[12](#) Viewed in this context, the postwar appointment of John McCloy to be American High Commissioner for West Germany is hardly coincidental, since McCloy served as IG Farben's American lawyer. His appointment may thus be viewed as designed to protect mutual American and Cartel financial and industrial interests in postwar Germany. Accordingly, his pardon of over 70,000 Nazis in the postwar era should be viewed with some suspicion.

[13](#) Yet another crucial factor to be examined from any integrative historiographical viewpoint is the Reese committee on the power and influence of foundations.

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