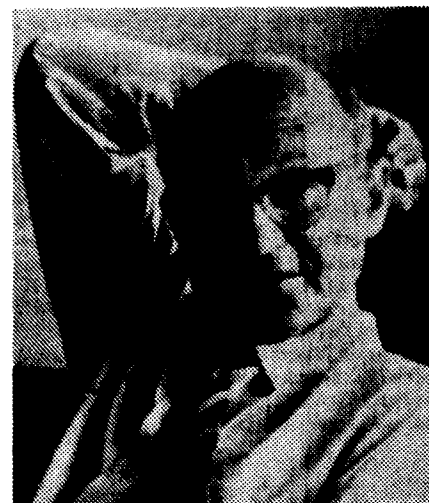


**SPECIAL REPORT**

*David Rockefeller's Invisible Hand:*

## Milton Friedman Legitimizing Butchery



EXCLUSIVE TO NSIPS

The Swedish Nobel Committee insulted humanity last month by awarding the Nobel Memorial for "Economic Science" to Milton Friedman, the butcher of Chile and a long-time political-intelligence operative for the Rockefeller family interests. Sufficient outrage at this insult has already been expressed at the award to sour the taste of victory for Dr. Friedman.

However bitter Dr. Friedman's attackers have been about his open support of genocide in Chile — or his more recent televised proposal to give Britain the same treatment — they have let stand his claim to "positive," or value-free, contributions to economics. This we must destroy. Friedman's "economics" are the public rationale for the plans, also publicly stated, of the men in control of Jimmy Carter to exterminate one billion human beings in the developing sector and to impose fascist regimes in the industrial countries. Awarding a Nobel Prize to Friedman in 1976 is comparable to giving a Nobel Prize to Hjalmar Schacht, the "Financial Wizard" of Nazi Germany, in 1937.

Apart from a brief and unhappy liaison with the Nixon Administration, which ended abruptly when the Penn Central went bankrupt, Friedman got the chance to show what he could do in charge of a nation's economic affairs only once, in Chile. Friedman was invited to Chile as the official advisor to the fascist Chilean junta in 1974, when the inflation rate exceeded 800 per cent a year.

Friedman and his Chilean trainees began what was to be called "shock treatment": they collapsed the money supply; slashed the government budget, including crucial food subsidies, for every category but the military; dismantled the industrialized state sector; and reduced per capita consumption to 1200 calories a day.

Dr. Friedman's "positive economics" program for Chile was assessed recently in the French scientific institute L'Evolution Psychiatrique's report to the Organization of American States: "...its most dramatic consequences are observed in the psychomotor development of children. The spirit saddens to see a two-year-old child seated on the ground, scarcely able to keep its balance. It cannot smile, or play, or look at its hands; it cannot stand, much less walk or speak. It weighs only nine kilograms (about 20 pounds—Ed.)....Why even talk of the lack of maternal attention, the increase in child prostitution, the deterioration of all forms of social aid? Why need one speak of mental health under a regime of terror, of systematic torture?"

Dr. Friedman himself has freely offered his own-considered assessment: "My only concern is that they push it long enough and hard enough."

Almost immediately on receipt of his award, Friedman left for South Africa, consulting with the Nazi Vorster regime on its economic program — which consists of rounding up black labor into "Bantustan" work camps on the SS model, and race war against its black neighbors. Friedman then appeared in Europe as a public-relations advance man for the International Monetary Fund missions en route to Britain and Italy, demanding immediate wage cuts, reductions in public services, and a forced march for industrial "productivity" as the price of continued democratic government. Britain has only a "50 per cent chance of remaining a democracy," and will "follow the same path as Chile" and suffer the "totalitarian solution," he told a British television audience, unless it crawls before its international creditors.

In the wake of Friedman's visit, the Labour Party-connected New Statesman named Friedman as party to a "plot" to "deliberately destabilize" Britain and install a Chile-style fascist government. "Are the Chicago boys champing to be unleashed here? Are we also in for a 'shock treatment' of the economy, or has it already begun?" the New Statesman asked.

Friedman ended his junket in Mexico, where virtual civil war conditions have emerged in response to the efforts of the fascist Monterrey industrialist group and Mexico's international creditors to impose a Chilean solution there.

### What Is Milton Friedman?

Friedman is known to generations of perplexed graduate students and third-string security analysts as the exponent of the preposterous idea that economic activity is the direct function of the money supply...whatever that is. Initiates in the economic profession are aware that Friedman ostensibly won the Nobel Prize for alleged contributions to "consumption theory," to wit, the proposition that rates of saving — the proportion of payments in the economy turned into convertible liquid assets — are relatively constant among different income groups, not bigger for rich people and smaller for poor people, as John Maynard Keynes had argued.

Friedman's consumption theory dates back to his pioneering 1956 "restatement" of the monetarist "quantity theory" of money — a treatise financed by the Rockefeller Foundation. In that study, Friedman enumerates the monetarist's "five forms of wealth" — an incantation of the primitive money-lender's calculus of loot — and proceeds to set out the mathematical equation to measure the rate of return on each category. First there is money, then stocks, then bonds, then physical goods.

At the fifth so-called form of wealth, Friedman pauses. It is

something which, he confesses, "we cannot very well define." Dr. Friedman is here referring to what he calls "human capital" — what the serious economist appreciates as the creative conceptual capacity of human beings to collectively innovate and apply scientific and technological breakthroughs to the task of social reproduction that is the content of human labor power, the motor of human progress, and the origin and sole determinant of real wealth.

Dr. Friedman's incapacity to distinguish between the double-digits on a scrap of paper and the social needs of real economies does not prevent him from promptly assigning a rate-of-return formula to "human capital" anyway. But not before he issues a disclaimer: his problem of definition is due to the fact that, in Dr. Friedman's own words, "in modern non-slave societies, there is only a limited market in human capital."

The wistful characterization of human slavery as one of the five fundamental "forms of wealth" is the kernel of the fundamental world outlook Friedman shares — despite verbal differences — with John Maynard Keynes and Nazi Finance Minister Hjalmar Schacht.

It is no irony that the workers' "savings" plans now being devised by Wall Street planners along the lines developed in Friedman's work are intended specifically to provide the financial prop for slave-labor "job creation" and investment "stimulation" schemes of the sort precisely prescribed by "liberal" Keynes. Nor is the resemblance between the "savings" proposals of "free enterpriser" Friedman and the Winterhilfe swindle of arch-corporatist Schacht merely coincidental.

All three are concerned with the forms of looting of populations — down to precise calculations for genocide — required to prop up bankrupt capitalist monetary systems. Stripped of their verbiage, the economic scribbles of all three are seen to be recipes for insolvent financiers to evade the economically sane and sound solutions of debt moratorium and orderly bankruptcy.

Friedman's fundamental "difference" with Keynes is that he has given a "right-wing," "free enterprise" cover to the corporatist policies of Schacht and Hitler, whereas Keynes cloaked them under the mantle of liberalism.

#### Underneath the Verbiage

In dealing with economists, it is more useful to look at deeds than at words. Friedman's "monetarism," like Keynes' "General Theory," is a textbook "synthetic ideology" useful for the assembly-line manufacture of graduate students with a Schachtian mentality. The complex of Friedman's writings — the relation of money supply to economic activity, the long discoursed in monetary history, the fascination over "rates of saving," and the indexation proposals plagiarized from Keynes — imbue a definite world-view to anyone who takes them seriously. The world-view is identical to that of Hjalmar Schacht. Friedman is concerned with the relationship between the rate of looting of "human capital," as he calls it, and monetary behavior.

In method, Friedman and Keynes are identical — as Friedman has frequently bragged in proclaiming himself more Keynesian than the Keynesians. Keynes' "General Theory," the nemesis of 40 years of American university life, is a theoretical jumble designed to "legitimize ideas already in circulation" when Keynes wrote in 1936, in the frank estimation of J.K. Galbraith, who adds that those ideas were mainly those of Schacht.

Keynes, however, who was concerned to give his looting schemes a liberal, "social welfare" cover, concentrated on showing how the state can squeeze, stretch, and tickle the monetary system to reduce real wages and turn "savings," like

Nazi unemployment insurance deductions, into "investment," like arms industries or CCC camps.

Keynes derided the desirability of a high rate of "savings" at a point in time when depression and panic had destroyed the capacity of the advanced sector's banking system, no matter how liquid, to lend for purposes of industrial expansion. He proposed that the state simply spend off liquid convertible assets in the economy as the aggressive agent of the capital markets. In this spirit, Schacht drained off all of Germany's liquid assets and all that could be looted through halving the 1928 real-wage level and creaming another 20 per cent off through deductions. He used the proceeds to finance Germany's rearmament through the issue of Reichmark 12 billion in bills drawn on the MEFO dummy corporation. Within four years — by 1937 — available "savings" were inadequate to support the monetary mass and Nazism went to war for its solvency.

Friedman, who does not blush at his association with a Pinochet, approaches the same problem — "savings" — from a different perspective: what is the behavior of the monetary system under conditions of stress? How can the monetary system remain functioning under a variety of circumstances?

Friedman's boast that his policies "out-Keynes Keynes," in fact amounts to the attempt to "out-Schacht Schacht": to attempt to salvage the dollar-based monetary system at the point that Schacht's model collapsed, under the most genocidal looting methods.

His cure for the great Chilean inflation shows what Dr. Friedman's equations reduce to. Following the collapse of the Schacht "experiment," Friedman was the first economist to make a leading principle out of the stabilization of the monetary system at all cost. His methods are identical in practice to the type of deflationary massacre the Bank of England used to deal with inflation on the European continent during the 1920s. In this context, Friedman is accurately identified as an exponent of the monetary "old time religion" of British imperialism. But never previously, certainly not until Schacht's backers in Wall Street spent six long years of war pondering where they went wrong, has any economist dignified this dirty work as "stabilization theory."

There is more than a little irony in Friedman's 1956 attempt to revive the "quantity theory of money." Nominally this theory was the 1809 creation of the "classical" economist David Ricardo, who in fact plagiarized it from a handful of Restoration pamphleteers. Ricardo proposed to deal with the then depreciation of sterling against gold by 50 per cent through augmentation of taxes, and the crushing of fledgling economic activity to stabilize the uncontrolled expansion of national debt. He succeeded, through the Poor Laws program of his colleague Jeremy Bentham, the prototype of all subsequent slave-labor plans, and the opening of the world to plunder under the Pax Britannica.

But Dr. Friedman's shameless apology for austerity, the mentality of the Exchange and Stabilization thugs at the Monetary Fund, and his plagiarized indexation scheme are lesser aspects of his work. The Nobel Committee had a reason to identify "consumption theory" as the ground for their award. Friedman's work there is an attempt to place the fundamental relationship of economics in an equation between rates of looting and the behavior of money supply and interest rates — an attempt to square the vicious circle of Hjalmar Schacht.

As presented, Friedman's difference with Keynes is the notion, based on statistical series of empirical data, that very high rates of savings can be obtained from low income populations as well as high income populations. For working-class families, "savings" are that portion of their income the government removes for social security, unemployment, and

related programs, plus what they are compelled to hand over to the savings banks and life insurance companies out of necessity and fear.

There is a lie still in circulation that the West German "economic miracle" of Friedman's post-war collaborator Economics Minister (later Chancellor) Ludwig Erhard was built on workers-savings. This example, along with Hitler's forced-savings campaign, would provide most appropriate "statistical series" to validate Friedman's prize-winning hypothesis, and it is not surprising that Friedman played a direct role here. In fact, West German workers handed their money to the Sparkassen (savings bank) in sufficient volume to finance the rebuilding of most of West German cities at a point when (until 1957) their wages were lower than under Hitler!

The "success" of Erhard's forced-savings program, however, differed principally from the "failure" of Hjalmar Schacht's similar program (under identical personnel) in the availability of large amounts of U.S. capital to finance West German exports.

### **Friedman: the Statist's Statist**

As the financiers proclaim the "end of Keynesianism" under conditions of general inflationary collapse in the industrial countries, Milton Friedman is the prophet waiting in the wings. His explicit standpoint is now the basis for the application of Schacht's methods to the advanced sector populations, and the extermination of half the developing sector's population.

The vicious irony of Friedman's public coronation is that he has found it useful to represent himself as the extreme ideological exponent of the free market. Friedman is not an "ivory tower" academic; he actively practices the butchery he preaches, as his personal involvement in such atrocities as the 1973 Chilean coup attests. In fact, he has always been the most extreme statist by experience and outlook, and his link to Schacht is more than ideological; for 30 years he has been the quasi-official economist for right-wing intelligence networks which consolidated the remains of the Nazi machine.

Today Milton Friedman bears Schacht's mantle as "chief economist" of the mercenary "Die Spinne"-CIA destabilization, assassination and fascist coup networks. It was his predecessor "economist" Schacht who, after "rehabilitation" following his token imprisonment for war crimes after World War II, worked with CIA founder Allen Dulles to consolidate the Nazi "Die Spinne" ("The Spider") networks of preserved Nazi criminals and their second-generation proteges that form the core of the Rockefellers' "invisible government." Since the late 1940s, Friedman's career has been primarily that of a practicing intelligence operative in this right-wing side of the far-flung Fabian Society subversion networks operated by the Rockefeller interests. For despite its carefully nurtured public image of liberalism, the semi-secret Fabian Society, organized by the Rothschild-British Roundtable bankers in the 19th century, actually created numerous synthetic, radical anti-Marxist ideologies and movements of both the "left" and the "right" aimed at subverting and containing both the working class and industrial capitalist to maintain the financiers' holdings and hegemony. Even Friedman's touted "anti-statist" free-enterprise economics, we shall see, are only an aspect of his right-wing Fabian activities.

Friedman was plugged into the right-wing Fabian operations shortly after David Rockefeller gave him the "Chicago School" franchise in 1946, and has worked for years as an editorial advisor to Rockefeller Family operative and right-wing CIA agent William Buckley, his crony Bill Rickenbacker and their magazine, National Review. The Buckley Family holds an operations franchise on the "Die Spinne" networks, and Friedman collaborates actively with William Buckley and Co. in

directing the full range of economic and political warfare operations carried out by these networks around the world — the Falange in Spain and Lebanon, the Greek junta colonels, the Cuban counterrevolutionary terrorists, the South African neo-Nazis, the Nazi Argentine Anti-Communist Alliance, the fascist Chilean secret police unit DINA, and others.

The 1973 Chilean coup was one such operation. Dr. Friedman and his "Chicago School" cohort Arnold Harberger, himself a 20-year veteran in the CIA's Agency for International Development (AID) in Latin America, personally trained Chilean Economics Minister Sergio de Castro and the little crew of "Chicago Boys" who handed Friedman's 300-page economic program — financed by the CIA — to dictator Pinochet hours after the bloody coup. It is no accident that "Die Spinne" staged a ritual demonstration of Dr. Friedman's scientific authority just days before he took home the Nobel Prize, the cold-blooded murder of former Allende cabinet minister Orlando Letelier, one day after Letelier had been fingered in the Wall Street Journal for opposing Friedman's Chilean atrocities.

### **"Free Market" Fabianism**

Friedman's loud opposition to FDR-style corporatist programs is a theoretical song-and-dance routine which was actually concocted at the arch-Fabian London School of Economics, and which now forms the basis of the Buckley family's "free market ideology" intelligence operations.

Before and during World War II, in fact, Friedman, the free market tribune, gained what is virtually the entirety of his practical experience in economics writing tax legislation and executing an assortment of statistical jobs for the eminently statist New Deal government bureaucracy. As chief of the New Deals Division of Tax Research in the Treasury, Friedman drafted the tax package to finance the government war build-up.

He only launched his career as a "free market" economist at the University of Chicago in 1946, with a strident polemic in behalf of mortgage bankers and landlords. Friedman insisted that the speculative bidding up of rents was the only solution to the severe post-war housing shortage. In the meantime, he advocated that people "economize on space" by "doubling up."

Dr. Friedman's Fabian collaborator in his turn to advocacy of the "free market" was Austrian economist Friedrich von Hayek. Von Hayek had been picked up out of the rubble following the Nazi Anschluss by Fabian scions Beatrice and Sidney Webb and carted back to the Webbs' own London School of Economics to earn his keep as the "free marketeer" in residence and right-wing special operations man. Together the two set up the core of the postwar international economics braintrust for the Rockefellers' "Die Spinne."

The "Milton and Maynard" routine that has been running in the United States since is the "economics" act in the Fabian Society ideological side show.

Keynsianism, the "left" Fabian belief structure codified by John Maynard Keynes, was imported into the U.S. as academic packaging for the New Deal economics programs modelled on Mussolini's fascist corporatist schemes. Immediately following the war, the Friedman-von Hayek "right-wing" Fabian concoction was exported to the U.S. for the edification and entrapment of conservative business layers who had smelled a rat in Keynsian corporatism, but never knew what had really hit them in the New Deal.

The radical "right" and "left" Fabian economists, political operatives, and so on, are variously identified with "left" corporatist solutions such as the Roosevelt New Deal or its early Mussolini prototype, or the "right-wing" police solution such as Franco's Spain — or Chile today. Finance capital's "left" and "right" wings, moreover, actively coordinate their efforts to contain populations within the genocidal confines of financiers' parameters. Where the financiers decide that the "left" cor-

poratists are failing in their mission to collect debt with a "human face," the jackboot, "right" Fabian contingents are deployed to effect the "final" solution.

### The Chicago Solution

But the Friedman theory of looting is only now coming into its glory as the guiding rationale for the efforts of Carter's shadow Administration to turn the United States into a Schachtain economy. The "consumption theory" that impressed the Nobel Committee is the inspiration of the "Keynesian" Brookings Institution economists, Felix Rohatyn of Lazard Freres, and their friends in the Carter camp. Rohatyn's problem is to provide immediate finance for several score of billions of projects on the model of the proposed Regional Energy Development corporation and related schemes discussed at the recent Northeast Governor's conference in Saratoga, New York. Under conditions of extreme instability of the dollar monetary system, Rohatyn, Brookings and Co. intend to double the deficit of the U.S. government.

They are banking on two things to prevent an immediate monetary collapse as the result of these plans. The first is an

extremely low level of economic activity, which will "free" the "savings" of the economy to absorb Rohatyn's refurbished MEFO-bills. The second — and several Wall Street brokerage houses have already done precise calculations on this account — is a rate of "savings" in the order of magnitude of \$40 billion a year, to continue to pump funds into the life insurance companies and savings banks, which will absorb the MEFO-bills. This \$40 billion a year, diverted from working-class incomes and kept away from capital investment in industry, will provide a "cushion" against which the initial Schachtain credit expansion of the Carter Administration can be issued. On top of this Rohatyn, Brookings and Co. intend to proceed to a further dimension of looting, suggested in "Monetarist" Arthur Burns' proposal last year to give the unemployed government "Labor Front" jobs at less than the present cost of unemployment, as the economists of Lazard Freres expect they will, the Carter gang will revert to Friedman's "Brazilian" variant of total indexation.

With this reassuring arithmetic, for which Milton Friedman won the Nobel Prize, Wall Street settles its accounts in the business of destroying the world.

## Committee for a Fair Election

I wish to support the fight for a fair election. Enclosed is my check for \$ \_\_\_\_\_

Name \_\_\_\_\_

Affiliation \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zip \_\_\_\_\_

Please contact me to discuss further work with the Committee.

telephone: \_\_\_\_\_

home \_\_\_\_\_

business \_\_\_\_\_

Please make checks payable to the Fund for Fair Election

The Committee for a Fair Election is composed of individuals from the U.S. Labor Party, the American Party, the Republican Party, the Democratic Party and many Independents committed to overturning the Nov. 2 fraud. Executive Director, Jim Lloyd, Denver (phone: 303-831-1855). Contributions and correspondence to P.O. Box 1901, G.P.O., New York, N.Y. 10001. Direct contributions can be wired to Account No. 0314-1343, CITIBANK, 34th St. and Seventh Ave, N.Y., N.Y.