

Eliminate developing countries' central banks, Friedman says

Milton Friedman, Vice-president of the Mont Pelerin Society and author of the genocidal *Chilean Economic Model*, has issued his latest proposal to the developing sector: eliminate Third World Central Banks in order to ensure tight control of monetary supply and to reduce inflation. The plan — which would institutionalize the principle of limited sovereignty of nations in the Third World — was reported Sept. 17 in the Argentine daily newspaper *Clarín*.

Friedman's proposal was delivered to the Argentines by Professor Arnold Harberger, one of the economist's "Chicago Boys" directly involved in running the genocide in Chile since 1973, during a late July conference in Buenos Aires. *Clarín* reported that the Conference was sponsored by the monetarist Argentine Central Bank itself but Harberger denies this, insisting instead that the Conference was sponsored by the World Bank!

Friedman argues, according to the Buenos Aires daily, that there is no way a Third World country can cut inflation since, due to domestic political pressure, the Central Banks of developing nations are forced to increase their money supply

even against their will. He concludes that the best solution would be to eliminate Central Banks, the source of inflation.

Once this is done, Friedman continues, these countries' currencies would be "tied to" a stable currency of any developed nation. The monetary policy of the advanced sector nation would be imposed upon the developing nation. Harberger added that, in fact, the proposal was originated by F.A. Hayek, the German founder and current Honorary President of the Mont Pelerin Society. Friedman's only role, he said, is to publicize the idea.

Simultaneously, Argentine economist and Mont Pelerin member Alvaro Alsogaray has launched a campaign aimed at further cutting Argentina's money supply since "the current economic policy is not monetarist but . . . highly expansionist." By attacking Argentine Economic Minister Martinez de Hoz, a well-known British-pedigreed monetarist and the International Monetary Fund's loyal servant, Alsogaray is in fact calling for the complete destruction of the already credit-starved Argentine national industry.

. . . Nonintervention does not mean no emotion, or indifference. . . . The massive violation of human rights affects us in a most profound way. . . . The Mexican government, of popular and revolutionary origin, censures these actions. Mexico has insisted in international and national forums on the eradication of arms buildups, and condemned the indiscriminate use of conventional and nonconventional arms, censuring those who instead of winning the peace for the feeding and development of the peoples, traffic in war. . . .

Venezuela

Extracts of letter sent from President Carlos Andrés Pérez to President Carter, as reported Sept. 23 by various press agencies:

I have had the opportunity to speak today with your special envoy, Ambassador Jordan. From this conversation I have not obtained anything which permits me to be optimistic as to the attitude of the U.S. toward the bloody regime of General Somoza.

. . . the number of deaths, the massacre, and the genocide which lays waste to the Nicaraguan people. The Somozan dictatorship has unleashed a war to the death against the Nicaraguan people. . . .

I sincerely believe, President and friend, that the case of Nicaragua dramatically endangers your

human rights policy, which awakened such hopes in Latin America. . . .

Argentina

From an article by Enrique Alonso, appearing in the Argentine daily Clarín, Sept. 17:

Any careless observer could think that there is some kind of inherent justice in the fact that the Somoza dynasty could be dethroned by the same factors which contributed to carry it to power as a result of the United States intervention in the Central American country from 1912 to 1933. If that method were extended, it is evident that *other regimes could become the recipients of the same treatment*. But sharper thinking on the same subject would reach the opposite conviction: *the fate of the governments south of the Rio Grande cannot be conditioned by the modalities of foreign policy in Washington*. To prevent that, the hemispheric system has established the *principle of nonintervention* as a doctrinary axiom. This is the shield of the weak against the powerful and the sure guarantee of an ordered regional coexistence which does not accept the law of the jungle. . . .

In saying this, we are not going to battle in defense of Somoza. His regime is an anachronism in America and is a fiction to the same degree that his survival for