

Friedman, von Hayek and Adolf Hitler

by Lyndon H. LaRouche, Jr.

If the United States becomes a fascist, totalitarian state, it will be chiefly the “free-market-economy” dogma of Professor Milton Friedman which steers U.S. government policy in that direction. Such a trend is already in progress. The demand that developing nations submit to the murderous austerity of an IMF supergovernment’s dictatorship—all in the name of “economic freedom”—is the issue being used to steer the U.S. government in the direction of a Nazi-like foreign policy against the “Non-Aligned nations” group.

The most shocking thing is that many of the persons who support such monetarist policies are otherwise decent and moral people—like many of the Germans who, otherwise decent and moral—accepted Hitler because of their admiration for the doctrines of Nazi Finance Minister Hjalmar Schacht. Many people, passionately concerned for the freedom and security of the individual, nonetheless support mass-murder and IMF political dictatorship in the name of “freedom,” in support of a usurious doctrine bearing the deceptive name of “free-market economy.”

It is most useful to look at this paradoxical behavior from the standpoint of the history of Apostolic Christianity, beginning with St. Peter’s alliance with Philo of Alexandria against the pseudo-Christian cult leader Simon (“The Magician”) Magus. The “free-market economy” dogma of Friedrich von Hayek’s Mont Pelerin Society is rigorously definable as an irrationalist pagan cult-dogma. From the standpoint of Christian theology, we would class the Mont Pelerin Society dogma under the heading of “Monophysite cult.”

Not only is this Monophysite “free-market” cult-dogma fascistic in consequences of its contemporary practice. Many of its leading exponents, such as Professor Milton Friedman, use the same Wagnerian modes of irrationalist rhetoric employed for the Bavarian molding of Adolf Hitler’s public speaking-style. Typical, as we shall show, is Friedman’s curious neurotic twitch, his use of the cricket-like cacophony, “It’s absurd! It’s absurd!” whenever he is confronted with rational evidence he can not refute. Indeed, one can often discover quite easily who has been indoctrinated heavily by Friedman brainwashing, by the mere fact that a public figure uses this Friedmanite neurotic twitch—“It’s absurd! It’s absurd!”—when confronted with rational statements on policy issues.

A brainwashed victim of “Islamic Fundamentalism” is

typified by the following illustration. It is consistent with the essential, characteristic world-outlook of that poor zombie, that he could hold a loaded pistol to his favorite child’s head, pull the trigger, and explain the child’s death: “It was not I who killed this child. The bullet would not have killed him, unless Allah willed it.”

What is a monophysite cult?

In short, the cultist rejects the notion of God shared, for example, by Jews and Christians. In place of a Supreme Being consubstantial with the lawful, rational ordering of Creation as a whole, the Monophysite worships imaginary, pagan deities like those of the Hesiodic, Olympian pantheon, or more exactly, Phoenician cult-deities such as Mithra, Cybele, Isis, “Great Mother.”

The pagan cults deployed as models for pseudo-Judaic (Kabbala) and pseudo-Christian (Gnostic) sects, assume that the will of God is “magical.” This has been the case among pseudo-Christian cults since the time of St. Peter’s adversary, Simon the Magician. The model for such pagan cults is the cult-superstition known as astrology—that special pagan gods, superimposed upon the images of astronomical bodies, control the fate of the individual.

The brainwashed victim of the cult believes that he or she has either a direct or mediated “telephone connection” to the stated intent of such a pagan deity, very much like the infantile, superstitious mind reading his daily horoscope, or the Wall Street stockbroker in the small office of the crystal ball-gazer or gypsy tea-leaf reader. The cult-victim believes in a pagan deity, in the image of the mind of an infantile human personality, a greedy, lustful, vengeful pagan deity, who plays nasty tricks on the world, contrary to the lawful ordering of creation.

On this basis, the cult-member is brainwashed into belief in sets of magical principles—such as, and including, “the magic of the free market”—which have no basis in reality, and which are, in fact, contrary to the laws of creation.

For example, the cult-victim believes that those “free-market” policies which have caused the present depression will magically lead to a miraculous economic recovery. On what grounds? The cult-victim has accepted the dogma as a matter of “my deep, personal belief.”

Such cult-phenomena correspond to a well-known psy-

cho-sexual pathology. Like all pathologies, they have the form of "infantile regression," a belief in the "all-powerful mother-figure," a childish belief in the power of magic, like the tumescent adolescent plucking petals from a daisy, muttering the magical chant, "She loves me; she loves me not."

This is no exaggeration of the pathological state of mind of a victim of the Mont Pelerin cult.

The brainwashed victim of the cult says that "free-market economy and political freedom are synonymous." He usually argues, contrary to simple historical fact, that "capitalist society's success was brought about by free-market-economy policies."

In fact, to take up the second point first, in every case but Britain, the success of the Industrial Revolution was accomplished through the "mercantilist" policies of Leibniz, Benjamin Franklin, U.S. Treasury Secretary Alexander Hamilton, France's Lazare Carnot, the American Careys, and the German-American founder of the German Zollverein, Friedrich List. Britain's development was accomplished differently, by looting of other nations and peoples according to the colonialist doctrine of "free trade" defended by the British East India Company's Adam Smith.

In the name of "freedom," the dupes of this von Hayek cult support a vigorous political dictatorship of the International Monetary Fund and Bank for International Settlements. They demand austerity policies already murdering masses in many nations, and already causing hideous human suffering. This fascist-like world super-government is defended by the cult's dupes as "securing freedom," defending the principle of the "free-market economy," imposing such Orwellian "freedom" at the point of a NATO "out of area deployment" gun.

"Your policies are dictatorship, murdering people!" one attempts to reach the rational sector of the policy-maker's mind. His jaw tightens in anger. "We are defending freedom!" He may add: "We are fighting Socialism!"

"You consider U.S. Presidents Washington, Monroe, Quincy Adams, and Abraham Lincoln to have been socialists?" one challenges the cult's dupe.

He will perhaps, often reply to that: "The Founding Fathers were deeply religious people, who believed in the principle of 'free-market economy.'" He simply refuses to accept the fact, that the U.S. War of Independence was fought against the doctrine of Adam Smith's *Wealth of Nations*.

There is another feature of this cultish mental behavior. Usually, the credulous victim is what contemporary sociology defines as an "other-directed personality." His opinions do not flow from rationally ordered inner processes of problem-solving mentation. His policies are shaped by the impact of "peer-group" opinions, by external "authoritative opinions." He does not make up his own mind rationally. He chooses among the opinions impinging upon him from his peer-group, selecting opinions for their "cosmetic" qualities, rather than on the basis of their foreseeable consequences for social practice.

For example, rather than facing a proposition in a rational way, the credulous, "other-directed" personality, will retort insolently, irrationally: "My friends, whom I trust, all disagree strongly with your opinions. Besides, they dislike you personally. They say your ideas are absurd."

In summary of this point, the Monophysite defends his belief in irrationalist doctrines of magic, by aid of disconnecting the calculable consequences of a policy from euphoria associated with belief in the policy as such. "Since it is a beautiful policy, it will succeed in bringing paradise, no matter what the cost in-between."

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In clinical psychiatry, such a state of mind is called "disassociation." In philosophy, it is called "radical nominalism," like Ockhamism.

Mont Pelerin destroys the U.S.A.

Not only are Mont Pelerin policies impelling the U.S.A. into complicity with mass-murderous austerity against developing nations. Every action taken by the U.S.A. since approximately 1965-1969 has acted to destroy the strategic power of the U.S.A.

This is the net effect of the Johnson, Nixon, Ford, and Carter administrations' policy-making on monetary, economic, technological, and strategic issues. So far, the Reagan administration has continued the process of capitulation to the same ruinous policies set into motion by the Johnson and Nixon administrations.

This is most easily demonstrated by looking at the matter from the vantage-point of the relative strategic capabilities of the U.S.A. and Soviet Union. The U.S.A. has insisted upon policies which destroy the internal economy of the U.S. itself—its logistical basis, the quality of the prospective citizen-soldier, and have also weakened and threaten to destroy the U.S.A.'s principal allies.

Despite the self-consoling delusions of General Vernon "shoot-first, ask-later" Walters and others, the United States is presently engaged in destroying its allies south of the Rio Grande, as it has been complicit in supporting ruinous, mass-

murderous policies in Africa, in destroying an ally—the Shah of Iran—in Asia, and in destroying the Middle East with Henry Kissinger's "Bernard Lewis Plan." Now, the same U.S. policy is directed to destroying the economies of Germany and Japan, and throwing the government of the Federal Republic of Germany into a state of chaos.

Logistical strength is based on the scale and quality of production of goods. This strength is based upon the scale and productivity of agricultural production. (By the close of 1982, the U.S.'s monetary and economic policies will have eliminated, since October 1979, approximately 1 million U.S. farms.) Logistical strength is based also on the rate of capital-investment in capital-intensive basic industry and heavy-engineering capacities. It is based on the rate of development of scientific advances and technological progress. It is based on the average number of produced kilowatt-hours consumed per person and per square kilometer. It is based on the development and maintenance of basic economic infrastructure in transportation, water-management, energy-production systems, and basic municipal infrastructure of both industrial activity and social life.

Logistical strength is based upon promotion of trade in goods among allies and potentially allied nations. This demands fostering the prosperity of one's trading partners, through encouraging technological progress (and rising productivity) in agriculture, industry, and basic economic infrastructure. Instead, in the name of "free-market economy" principles, the U.S. is destroying world-trade levels and the economies of its principal, allied trading-partners.

The political complement to the logistical strength is the stability of cooperative partnership among active and potential allies. This means cooperation with governments, political parties, and currents which represent a commitment to development of the individual in society in the context of capital-intensive improvements in agriculture, industry and basic infrastructure. One must be predictably consistent in fostering the strength of such political currents among one's trading partners.

So, the U.S. destroys its own economy and those of its principal allies and trading-partners, in the name of mobilizing a fight against "Socialism." Naturally, the Soviet leadership does not interfere in our progress in destroying ourselves. It prefers to sit, and wait, building its internal economic strength, watching and waiting, at as much a distance as possible, while we successfully destroy ourselves.

The decent sort of persons among the ranks of the Mont Pelerin cult's dupes nod agreement, nodding their heads sadly. Suddenly their depression gives way to mystical elation. They explain: "The magic of the free market" will remedy all of these evils (comes the revolution, everywhere, everyone, will eat strawberries and cream!). As for the collapse of about everything, the devotee shakes his head, astonished at our ignorance of so elementary a point of true belief: "This is the sacrifice we must make, to bring things back into order."

How do these sterling anti-socialists propose this wonderful resurrection of dead economies shall become mani-

fest? One hears of "cycles." "Manichean cycles," one wonders momentarily? The recognition comes to us. This anti-socialist doctrine is a faithful copy of the "long-wave cycles" doctrine developed in the Soviet Union during the 1920s. By Wassily Leontief's teacher, Kondratieff! One wonders: is Professor Milton Friedman, perhaps, a clever Soviet agent sent to cause us to destroy ourselves from within? Nothing so earthly: Look into Friedman's wildly rolling eyeballs.

"It's absurd! It's absurd!"—one hears Friedman and his cult-followers chanting their magical incantation against the devils of self-doubt. One thinks back to shaven, saffron-robed Hare Krishnas at the corner of Sixth Avenue and Fourth Street, Manhattan, shouting their hyperventilated cries of "Hare, Hare, Hare. . ." On this point, the poor fellows are unreachable: "Om, mane, padme, hm."

Friedman now, Hitler then

In point of fact, Adolf Hitler's regime was imposed upon Germany from the outside, by the controllers of Germany's debt in London, New York, and Switzerland. Most Germans, even those who were already adult or adolescent in 1931-1933, have been conditioned by Occupation-propaganda of Wilton Park, etc., into rejecting this fact, even when they are presented with documents proving the case. "No, we Germans did it ourselves. We chose Hitler (and, therefore, we must humbly suffer)!"

It is accurate to say that Germans were conditioned into tolerating the rise of the Nazis, much as many nations are conditioned into tolerating Malthusian and anti-technology irrationalist movements today. The same mechanisms used to condition Germans into tolerating Hitler then, have been used to bring toleration of the Mont Pelerin Society dogma more recently.

Beginning with the spread of the Romantic movement from the Lausanne, Switzerland, bedchamber of the Madame de Staël, Germany was penetrated by a blend of cultural pessimism and irrationalism early typified by the influence of Arthur Schopenhauer, the leading German ideological forerunner of Nazism. This influence was aggravated during the 1830s and 1840s, by the spread of the philosophical-political radicalism of Giuseppe Mazzini's Young Europe organization, and by the spread into Germany of the varieties of British irrationalism associated with Theosophical cults, the Fabian Society and the Oxford University Pre-Raphaelite Brotherhood of John Ruskin and Benjamin Jowett. Houston Stewart Chamberlain's influence in the Bavarian court and the circles around Richard Wagner was the point of concentration of British irrationalist, racialist doctrines leading directly into the rise of Chamberlain's personal protégé, Adolf Hitler.

Max Weber is another major contribution to the possibility of Nazism, through the spread of his pluralist version of populism, the German *Völkisch* movement.

All of the currents leading into Nazism were widespread in Europe generally prior to World War I, including Germany. These proto-fascist currents flowing out of Romanti-

cist irrationalism were generally identified with "modernism," and were concentrated in faddist movements in the arts.

Under the crushing effects of the Versailles Treaty, with the accompanying breakdown and discrediting of institutions, these irrationalist influences spread through the population in ways best typified by the influence of Stefan George, Hermann Hesse's *Steppenwolf*, and ideologues such as Ernst Junger. The common reference-point for all fascist and proto-fascist propaganda of this sort was Friedrich Nietzsche's Dionysian cultism.

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An outwardly different, but essentially identical development is to be seen in the U.S.A. today. Chiefly through irrationalist movements conduited through the mass-media of entertainment and news publications, the U.S. population has been conditioned to become other-directed, rather than rational. "What the neighbors say," rather than rational criteria of personal judgment, is dominant in mass political and other behavior.

The objective crushing of economic growth within the U.S.A., beginning 1966-1967, has significantly conditioned the mind of most of the population into tolerating irrationalism. Since the U.S. government has behaved with consistent irrationalism on issues of monetary and economic policies under Johnson, Nixon, Ford, Carter, and, so far to date, under Reagan, it appears to many that the world itself has become irrational, and that success in the world depends upon adapting to the irrationality pouring out of government and other leading institutions.

Under these conditions, large portions of the population are driven into assimilating cultish irrationalisms. Politicians and parties, seeking to woo support from such populations,

depend upon cultish augurs (pollsters, etc.) to inform them of the prevailing winds of irrational opinion. The U.S.A. is on the verge of Weimar Germany 1931/1932. We are ready, psychologically, to accept Brüning, von Papen forms of "austerity" as "necessary," and to embrace new Hitlers after a bit of Brüning.

One must not be deceived by the superficial fact, that Friedrich von Hayek was technically an opponent of Hitler. Hayek is a thorough fascist, a British Fabian Society leader, and a professed totalitarian by virtue of his public statements on current political trends. He is essentially an irrationalist, in the same broad sense Ayatollah Khomeini is an irrationalist. He has blind belief, contrary to reality, and denies any reality which specifically contradicts his cultish beliefs.

More profoundly, the international political movement behind the Mont Pelerin Society is itself a complement to the international fascist organization nominally centered today in Lausanne, Switzerland. Not exactly Hitler's specific version of Nazism, but rather what is called variously "Universal Fascism," or "Neo-Conservatism." The coordination of this international fascist movement emanates from within the professional families of the European oligarchy and oligarchical rentier-finance.

These are the families which created Adolf Hitler. True, some disengaged from Hitler later on. The case of Richard Graf Coudenhove-Kalergi's Pan-European Union is exemplary. Up to the eve of Hitler's rise to power, Coudenhove-Kalergi's fascist movement cooperated with Hitler's efforts. Their later break with Hitler parallels the case of Benedetto Croce's circle in Italy: They helped to bring Mussolini to power, and then, variously, led the left-fascist opposition, and became nominally part of the anti-fascist opposition. By 1938, numerous of the circles which had supported Hitler had become nominally anti-Nazi. By approximately the winter of 1942-43, when the Nazis' doom was visibly sealed, many of the remaining Hitler-backing oligarchical families turned away from the Nazis.

The world's leading living fascist ideologue, Armin Mohler of the Siemens Stiftung, explains this complex behavior most frankly. Mohler, a former Swiss volunteer of Hitler's SS, explains his doctrine of "Universal Fascism" in his book, *The Conservative Revolution*, the "Who's Who" of fascist ideology today.

To the followers of Nietzsche's fascist doctrine, Hitler and the Nazis were intended to be merely a temporary phase of world-conquest by fascism. Hitler was to unleash the chaos out of which the precondition for "universal," anti-nationalist fascism would be produced. Once Hitler was securely in power, many of the leading oligarchical families which had created the Nazis distanced themselves from their creation, building for the new fascist movement to arise after Hitler had been "used up."

Fascism is not a sociological pathology of industrial-capitalist society. Fascism is older than Augustus Caesar. It is oligarchism, adapted in form to the circumstances created by the rise of modern sovereign nation-states and industrial

capitalism. The oligarchical families behind fascism, in Hitler's time and now, are "unreconstructed feudalists," to put the point in the language of the man in the street. They are rentier-financier families, whose preferred source of income and material power is speculation in ground-rent of real-estate holdings and usury. It is a political-economic philosophy as old as the Chaldean inventors of tax-farming.

The doctrine of "free-market economy" is a direct reflection of these oligarchs' fascist doctrines.

The center of their doctrine of "free market economy" is their insistence that the currency-issues, credit-policies and public debt of nations must be controlled by a network of privately owned central banks. These banks, in turn, are controlled by the rentier-financier oligarchical families. These oligarchs use their control of banking to foster ground-rent and usury, and to weaken industrial-capitalist institutions, by forcing prices of agricultural and industrial products down to levels that capital-intensive investment is strangled by "free-trade" methods of lowering of prices (and profits) of entrepreneurs.

By keeping entrepreneurial profits from goods-production low, and by looting and taking over farms and corporations by rentier-financier interests, the oligarchs crush the farmers and industrial-capitalists as social-political classes, putting as much industry and agriculture as survives firmly in the grip of oligarchical rentier-finance.

The destruction of German and Austrian capitalists during the post-1938 phases, and gobbling up of industries by the Goering and Himmler trusts, is a meaningful indication of the kind of society the oligarchical backers of the Mont Pelerin Society aspire to bring into being.

Worse, these families wittingly intend to perpetrate genocide against, most emphatically, the populations of the developing nations. This genocide has already begun in Africa, and is endemic in other parts of the world, such as Bangladesh, as well as imminent for parts of Ibero-America.

It is on this point that otherwise decent among Mont Pelerin dupes are most impelled to violate their own consciences. Since the principal mechanisms of genocide are economic and monetary warfare against nations, methods generally under the heading of "IMF conditionalities," these dupes are given the choice of either condoning genocide or breaking with deeply-embedded conditioning to "free-market economy" dogmas.

The irrationality of their beliefs is otherwise crucially demonstrated in another, related manner. On the one side, they profess to be anti-big-government, and against government dictatorship over, and direction of, the economy. At the same time, they support a totalitarian super-government, the IMF, using governments to operate dictatorships against the populations and economy of numerous nations.

Unlike those misled, well-meaning dupes of the Mont Pelerin cult, the powers behind the cults are faced with no such moral paradoxes. They are consistently evil, worse than the Nazis.

The Friedman grip on

by Freyda Greenberg

No one should underestimate the extent to which, derided though they are in some quarters, the Friedmanites have entrenched themselves in U.S. economic policy-making.

Milton Friedman has come a long way into U.S. policy dominance since his first claim to national economic policy-making, along with his Viennese colleague Gottfried Haberler and William F. Buckley, in Sen. Barry Goldwater's 1964 presidential campaign. As early as July 1980, Milton Friedman dominated the Republican Party platform discussions that were to become the basis of President Reagan's economic policy. It also became clear at that time that the supposed antipodes to Friedman, such as supply-sider Rep. Jack Kemp (R-N. Y.), were but fellow Mont Pelerin Society thinkers. As of this writing, the Friedmanite team that executed the well-known economic and political disasters of the Nixon administration—from George Shultz to Paul A. Volcker—are in every corner of Washington, D.C.

A review of the office-holders and advisers in the current administration reveals the following:

President's Economic Advisory Board: There have been no less than 10 outspoken Friedmanites on this policy board since Mr. Reagan took office. In addition to Milton Friedman, the board has included:

- **Charls Walker**, head of Charls Walker Associates. Walker was an Undersecretary of Treasury under President Nixon and was the author of the tax policy promoted by the Reagan transition team. This policy is heavily skewed toward post-industrial, service sector investments and away from heavy industry.

- **Walter Wriston**, Chairman of the Board of Citibank.

- **Art Laffer**, "supply-side economist." Laffer was responsible for introducing Milton Friedman's tight-money policies into the supply-side economic dogma. Like Friedman, after the Penn Central crash of 1971, his reputation has been quietly buried in the face of "supply-side" dissolution. He studied under Friedman at the University of Chicago. Laffer was boosted into prominence by his boss, George Shultz, while they were both at the Office of Management and Budget (OMB) under Nixon. Laffer is a close friend of current Chairman of the Federal Reserve Board, Paul A. Volcker.

- **Alan Greenspan**, founder of Townsend, Greenspan