

crashed by over 30%, as part of the global Black Monday, and this collapsed the quoted asset value of the companies targeted for privatization by about \$20-25 billion. So now, Brazil will hand over the same physical assets, but will get \$20-25 billion less for them—unless the market plummets further, of course, by the time they are sold.

Not all nations have gone along readily with London's plans. Nigeria, for example, Africa's most populous nation, has so far successfully resisted attempts at significant privatization of its public sector. The IMF-World Bank and their

"free-market" supporters in Nigeria have gone after large state-sector companies, like the National Electric Power Authority (NEPA), Nigerian Telecommunications (NITEL), the country's four oil refineries, and even the National Nigerian Petroleum Corp. (NNPC), which is responsible for 90% of the country's foreign exchange earnings. A small component of NNPC was privatized in 1993, for \$500 million. But total cumulative privatizations through 1995 were still under \$1 billion.

The world map (Figure 5) gives a bird's eye view of the

Mont Pelerin, Thatcher, and privatization

Lyndon LaRouche recently remarked that the British often "first infect themselves with a disease, and then kiss the United States" and other nations, that they seek to destroy. That is the true story of the doctrine of "privatization."

The policy of privatization is most widely associated with the 1980s reign of Margaret Thatcher in Great Britain. But where did the "Iron Lady" herself catch the disease? From a Satanic outfit called the Mont Pelerin Society.

The Australian newspaper *New Citizen*, put out by associates of LaRouche in that country, earlier this year published a March 1996 interview with Lord Ralph Harris, a former president of the Mont Pelerin Society, who was, for decades, the executive director of Mont Pelerin's main think-tank, the London-based Institute for Economic Affairs (IEA). Asked what generated the "reforms," including privatization, which swept Thatcher's Britain, among other places, Harris replied, "There is this outfit called the Mont Pelerin Society. It was started in 1947. The Mont Pelerin Society created the IEA, which comes to be called 'Thatcher's think-tank,' but we were running long before Thatcher. We weren't Thatcherites, but she was an 'IEA-ite.'" From Thatcher's Britain, Harris said, these ideas spread around the world. The most honored Mont Pelerin-ite, Harris emphasized, whom the Queen dubbed one of only 60 "Companions of Honor" of the British Empire, was its seminal thinker, Friedrich von Hayek.

The Society was founded on the slopes of Mont Pelerin in Switzerland in 1947. That first meeting was a regroupment of some of the leading families of the ancient European oligarchy, most of whom, like von Hayek, carried the prefix "von" before their names, indicating "noble" origin. These included: Otto von Hapsburg, of the ruling dynasty of the now-expired Austro-Hungarian Empire; Max von Thurn und Taxis, whose family, originally Venetian (Torre e Tasso), relocated to Germany in the 15th century, where

it headed up the postal and intelligence services for the Hapsburg Empire for centuries; and Ludwig von Mises, the leader of the bitterly anti-Renaissance "Austrian School" of economics. From Britain came Sir John Clapham, a senior official of the Bank of England and the president in 1940-46 of Britain's pre-eminent intellectual body, the Royal Society. Milton Friedman, from the Fabian-founded University of Chicago, was also present; he was to become a chief salesman of Mont Pelerin's dogma.

Von Hayek's 1944 book *The Road to Serfdom* set the tone for the "Conservative Revolution" which the new society championed—that of a return to feudalism: "We shall not rebuild civilization on the large scale. It is no accident that on the whole there was more beauty and decency to be found in the life of the small peoples, and that among the large ones there was more happiness and content in proportion as they had avoided the deadly blight of centralization." Von Hayek cynically denounced the nation-state as "tyrannical," even while he called for the establishment of a one-world empire: "An international authority which effectively limits the powers of the state over the individual will be one of the best safeguards of peace."

"Privatization" of the state and its assets, was a critical component of this strategy.

Mont Pelerin soon moved from Switzerland to London, where the chief sponsor of its radical free trade and other lunatic nostrums was City of London financier Harley Drayton, who managed the private fortune of the Queen. Drayton financed all the early personnel and the first headquarters of the IEA.

Though von Hayek was the Mont Pelerin Society's chief intellect, he in turn drew his essential ideas from Bernard de Mandeville (1670-1733), particularly from Mandeville's *The Fable of the Bees: Private Vices and Public Benefits*. Mandeville, whom von Hayek worshipped, was the founder of the devil-worshipping Hell-Fire Clubs of the 18th century; his *Fable of the Bees* is a naked glorification of the "Seven Deadly Sins."

—Allen Douglas