

“Why Ignorant Bankers Believe Schacht Succeeded”

by Lyndon H. LaRouche, Jr.
USLP Presidential Candidate

May 15, 1976

[Published in *Executive Intelligence Review*, Volume 3, Number 21, May 25, 1976. View [PDF of original](#) at the LaRouche Library.]

PARIS, May 15 (IPS)—Every morally sane and informed person in the world today agrees that the Rockefeller family’s favorite Nazi, Dr. Hjalmar Horace Greeley Schacht, was an enormously evil man. Every competent political analyst knows also that it was Schacht’s monetary policies which directly and inevitably caused the emergence of Nazi criminal practices in the occupied territories and the slave-labor death camp system. In effect, anyone who condones the monetary policies of Hitler and Schacht today is directly endorsing the Nazi holocaust against six million European Jews in particular.

Unfortunately, too few people know that Schacht was not only a terribly wicked man, but also a total charlatan in his profession of monetary-economic expertise. In monetary policy and in economics, Schacht was not only absolutely no “wizard,” but was downright incompetent. Schacht’s skills were not those of the economist, but entirely those of the wholly immoral swindler. Every competent economist knows that Schacht’s policies did not work, and could not possibly have succeeded—any effort to say the contrary is either outright fraud or the ignorant chattering of credulous fools.

Even so, quite apart from outrightly evil Atlanticist financiers and their friends, Kissinger, Schlesinger, George Ball, *et al.*, there are numerous, otherwise intelligent and competent bankers, who ignorantly believe that Schacht might have saved the German economy if he had been continued in power after 1937. This criminal ignorance among such bankers and others is not accidental, as we shall see in the course of this analytical report on that problem.

The Real Hjalmar Schacht

To sum up the case of Schacht in a single sentence, he is *best described as the Ugo La Malfa of the Weimar Republic*. Among the most influential German figures of his time, Schacht most closely duplicates the position of Admiral Canaris, the Anglo-American agent who headed German Intelligence under Hitler. Like OSS chieftain Allen Dulles’ tame Ugo La Malfa, both Canaris and Schacht were thorough Atlanticists, and leading protégés of both the

Anglo-American financiers and of such agents of the “Occupying Powers” of the Allied Armistice Commission as the National Civic Federation’s Hamilton Fish Armstrong (today’s Brookings Institution and the continuing Russell Sage Foundation organization are among the most directly relevant organizations of today for Armstrong’s role during the interwar period in Europe).

Like the modern La Malfa—whose career is directly modelled on that of Schacht’s Weimar role—Schacht headed up a tiny party of his own sponsorship, the German Democratic Party. Although never a significant party in its own right, Schacht’s Democratic Party—a tiny splinter—played a significant, keystone role in repeatedly (to use plain Americanese) “screwing up” the honest efforts of the legitimate major parties. Schacht, for example, played a major role with the aid of his Democratic Party pawns in initiating the downfall of the Weimar Republic from 1928–1929 onwards, and was the direct sponsor of the post-1933 career of Adolf Hitler—just as Ugo La Malfa plays a similar role for his Atlanticist masters in Italy today.

To fully understand Schacht’s Weimar and later roles, one must know a few ABCs concerning Anglo-American financiers’ control of broad strata of agents within Germany from the pre-war Kaiser’s regime onwards.

During the pre-1914 period, the principal penetration of Germany was British-controlled, although the Rockefeller family had its own direct connections through I.G. Farben (*vis-à-vis* Chile, etc.) and I.G. Farben’s own key man in German Intelligence, Colonel Nikolaev. Thus, for short-hand purposes, it is sufficient for most cases to identify the direct British connections and let it be understood that the U.S. Atlanticists were junior partners on the way to becoming dominant partners in this Atlanticist arrangement. However, in using such an approximation it is essential to emphasize that both Schacht and Canaris had major direct links to U.S. patrons, most notably the Rockefeller family.

Broadly speaking, there were two principal lines of British intelligence services’ penetration into the Kaiser’s Germany. One of these, mainly focussed upon certain leaders of the Social-Democracy and trade-union organizations, was coordinated through the British Foreign Office’s major project, the Fabian Society. A recently-published West German book, producing letters exposing August Bebel as a British agent, is exemplary. The cases of Eduard Bernstein, of the Bavarian SPD leadership, and of the German General Trade-Union Commission are also exemplary. The fabulous Alexander (Parvus) Helphand’s career as first a British agent, and then as Anglo-German double-agent (1893–1919) was a direct by-product of this side of British operations.

The second principal channel of British intelligence penetration was through direct British financial and other links to opposite numbers among aristocratic and financial interests in the Kaiser’s realm—a comprehensible complication of the way in which Bismarck forced through the consolidation of Germany under Prussia.

The case of Admiral Canaris is noteworthy in documenting the kind of arrangements under which the similar Schacht functioned, a connection of the second type.

Canaris comes to light of historical accounts after his 1915 internment in Chile, following the bottling up of a German cruiser to which he had been assigned in a Chilean port. Through the joint Rockefeller-Farben network established by Colonel Nikolaev in Chile, Canaris was aided in escaping from his Chilean internment camp to Buenos Aires, where, with the aid of the von Bülow family and the British embassy, he was given a new forged passport and passage on a Dutch ship back to the continent, with blockade-inspection holdover in Plymouth, England. Back in Germany, Canaris was assigned to German intelligence (thus coming into association with Karl Korsch, Friedrich Ebert, Scheidemann, and the German military intelligence’s Parvus operations).

Canaris rose rapidly and was at the end of the war associated with the staff of General von Hoffmann, and had direct supervisory roles for the Freikorps operations around Berlin. In the midst of this post-war development, a most instructive further event shaped the later career of Canaris.

During and immediately following World War I, U.S. Intelligence was placed under the direction of a social-work organization, the Russell Sage Foundation, a foundation which was adjunct to the principal U.S. Atlanticist organization, the National Civic Federation. Hamilton Fish Armstrong was the best-known responsible figure coordinating the European post-war activities of this private control of U.S. Intelligence operations. Curiously, in the course of the armistice arrangements, the Russell Sage Foundation contributed the draft of an adopted proposal under which the German Naval Intelligence’s famous “Marine Transport Unit” became the only unit of the German military not to be substantially reduced under direction of the Allied Occupying Powers.

This same “Marine Transport Unit” had been key in the German Intelligence operations around Parvus’ Eastern European project to engineer a bourgeois-democratic revolution in Russia, place reduced great Russia under British suzerainty and place an “independent Ukraine” under shared German and British control. Canaris, coordinator of the Freikorps operations for German Intelligence, and later direct coordinator of the frame-up against Soviet Marshal Tukachevsky, was placed in command of that unit. Many of the purported “mysteries” of the 1930s and 1940s of the Nazi period—including the holding back of

German General Guderian’s tanks from wiping out the Allied Forces at Dunkirk in 1940—are linked to the career of Canaris.

From the end of the First World War, Hjalmar Schacht’s political operations were complementary to and often interfaced operations in which Canaris was key. (There is strong evidence to the effect that both Schacht and Canaris were linked to the 1940s British Intelligence-coordinated German Resistance, to the von Stauffenberg plot against Hitler, and that this British network interfaced and secretly controlled much of the “Rote Kappelle” operations.)

Just as the British Intelligence end of the Atlanticists was chiefly responsible (with U.S. support and French, later-Vichyite, complicity) in putting Mussolini into power in Italy (both Winston Churchill and the U.S. Deweyites— from which Sidney Hook springs—were enthusiasts for Mussolini during the 1920s), the appointment of Hitler to the German Chancellorship was a Schacht proposal which was cleared with certain British Atlanticists and the Rockefellers and others in New York City before pushing the project through with German industrialists. Incidentally, it was a Rockefeller-allied bank, the Schroeder Bank, which processed the funds collected for Hitler’s backing in this project.

It was not accidental that Hjalmar Schacht escaped the noose at Nuremberg. Nor was it accidental that Schacht and his son-in-law, SS Colonel Otto Skorzeny, emerged into the post-war period as protégés of the Rockefeller family’s Dulles brothers, with both Schacht and Skorzeny involved in Dulles-directed operations in Egypt, and Skorzeny, later a neighbor and acquaintance of F. Reid Buckley of the Latin American CIA operations Buckley family, should have heavily interfaced the Nazi Latin American network which the modern CIA took over from the Rockefeller-directed wartime CIAA (Office of the Coordinator of Inter-American Affairs.)

It was not accidental that the West German-based end of Atlanticist political intelligence networks should be directly linked to the leadership of the Communist Party of Italy (PCI)—despite a recent opposition to the PCI in government from German echoers of U.S. Atlanticist policies on that issue. The fathers of Enrico Berlinguer and Giorgio Amendola were British agents associated with such famous figures as Luigi Einaudi, Sr., and were collectively directly linked to the British effort to push Mussolini into power. The father of Sergio Segre, according to a recent statement by Ugo La Malfa, was also in this circle. (Thus, the links through La Malfa, to the fascist family of the Fiat’s Agnellis is not so peculiar, after all.) Berlinguer and Amendola, who entered the Communist Party of Italy as British planted agents, were later transferred to the OSS control of Switzerland-based Allen Dulles, along with Riccardo Lombardi (now of the Socialist Party of Italy), Ugo La Malfa and others. Since that time, La Malfa, Amendola, Berlinguer, Segre, Lombardi, and others have been

U.S. agents directly linked to the Rockefeller branch of the CIA and related operations. These Italian operations of the CIA were directly linked to the Germany-based network at many points, including the cooperation between Leo Bauer (of the SPD) and Sergio Segre in creating the legalized present German Communist Party—as a preemptive effort of the CIA and NATO Intelligence to prevent the reconstitution of an actually communist-controlled communist party.

In short, to use modern images, Hjalmar Schacht was for his time essentially a high-placed “CIA operative” of the Allied Occupying Powers of Germany, whose influence was principally the result of that backing, and whose competence was by no means that of a banker or economist, but the special skills of a gifted swindler. Schacht’s economic theories represent no more, in fact, than an elaboration of the “basic economic theory” of an extraordinarily crooked used-car salesman.

This judgment of Schacht’s alleged professional competence is absolutely no exaggeration as we shall shortly see.

World War: Myth and Reality

The creation of Nazi Germany by the initial backing of the Rockefeller family and others is a fact which begs the question: How was it, then, that Adolf Hitler, an Atlanticist puppet, became the principal enemy of the U.S. and Great Britain during World War II? An understanding of Hjalmar Schacht’s and Adolf Hitler’s monetary policies is absolutely key to that problem.

Atlanticist backing for Schacht’s protégé, Adolf Hitler, had two principal objectives. More immediately, the entire structure of pre-World War II imperialist debt rested upon the foundation of the reparations debt imposed upon Weimar Germany by the victorious World War I Allied Powers. From 1923 through 1928, through combined debt-payments rescheduling and U.S. credits, Weimar enjoyed a modest recovery. As a result of the 1928–1929 speculative crises and inevitable crash, the capacity of the U.S. economy to issue further credit for support of world trade was curtailed, and the world economy began a chain-reaction collapse leading directly and inevitably into the consequences of 1931 and of the 1932–1934 period.

All of Schacht’s alleged “wizardry” of the 1923–1928 period, including the notorious Rentenmark caper, were nothing but a pawn’s moves at the behest of the controlling chess-player, the Atlanticist financiers. The Rentenmark, for example, is a direct model for the “Resources Bank” swindle which Rockefeller protégé Henry Kissinger has lately proposed to the developing sector. The essence of the Rentenmark was a ruse for hypothecating German real assets as security for (principally) U.S. bankers’ loans to Germany: without that U.S.

credit, the Rentenmark would have been nothing but the most ignorant schoolboy’s attempt to introduce the principles of masturbation into monetary practices.

During 1928–1929, since the Weimar Germany economy remained above the breakeven point only through a massive proportion of industrial exports, the collapse of U.S. credit-expansion for support of world trade meant a sudden collapse of the German economy below that breakeven point. Since Germany, after 1928–1929, was not producing a national absolute profit, Germany had absolutely no margin of national income which would be allocatable to maintain its foreign debt obligations—without drastic slashes in real incomes and social services at the expense of the German population.

Schacht’s 1928 “wizardry” amounted to no more than a proposal to drastically cut wages and social services as a trick for maintaining payments to foreign debtors, the same sort of ignorant landlord’s “Big MAC”-type proposal. Thus, Chancellor Schmidt immediately emphasized: “We must concede with the greatest pain that, albeit with the most terrifying goals and with the worst instruments, in the final analysis, it was first Schacht and Hitler who drew the correct consequences from the monetary standpoint.” In fact, the modified version of Schacht’s 1928 austerity which was implemented under Adolf Hitler was just that, a slightly modified version of the crude (“Big MAC”) swindle proposed in 1928.

The specific problem of Schacht’s 1928 proposal was solely that it resulted in massive unemployment. It was not this unemployment which concerned Schacht’s Atlanticist backers (although it did concern various strata in Germany for varying reasons): it was the fact that collapsing employment meant that the thus-dwindling amount of total looting of both industrial capacity and of the population was insufficient to meet foreign debt-payments! Therefore, by restoring to forced-draft employment, including the slave-labor Nazi *primitive Bauarbeit* projects, the rate of per-capita looting of German bodies and industrial capacities was increased. Again, not an economic solution to the insufficient production of wealth, but a simple mercantilist’s swindle.

However, over relatively short periods, such a modified version of “Big MAC” fascist swindles fails even more miserably than the Brüning and von Papen versions, as even the most low-browed Nazi Labor Front officials began to discover and to point out to Hitler from 1936 onwards, *bringing about the dismissal of the incompetent Schacht*.

The problem was this: The apparent short-lived success of Schacht’s 1933–1936 “solution” was based on the mere fact that the rate of economic looting of stored-up wealth of German bodies and industrial capacity was increased per capita by forced-drafting *uneconomical* usage of German labor and industry. The result, a kind of cannibalistic turning-inward of inflation against the body of the affected economy, was that combined speed-up, fixed wage rates,

decreasing quality of products per Reichsmark of purchasing power, failure to replenish worn-out physical productive capacity, and pyramiding of long-term illiquidity brought the Nazi German economy to the point of internal crisis in 1936 such that two divisions of French troops walking easily over the French border into the Rhineland (in response to Hitler’s desperate violation of the armistice agreements), would have brought about the immediate total collapse of the Hitler regime.

Without German military conquests, Schacht’s policy would have brought about immediate collapse of the German economy sometime shortly after 1936.

Thus, the first, immediate objective of Hitler’s New York City and London backers was to stabilize Germany’s external debt-payments, using the vicious Nazi machine of Adolf Hitler as the only existing instrument capable of delivering that result.

The second objective, openly mooted in leading U.S. circles from the 1936 Roosevelt election campaign, was the Atlanticist military objectives for their puppet, Adolf Hitler. (I, then a fourteen-year-old youth, vividly recall lead articles from my subscription copies of the *Pathfinder* of that year to this point.)

The key to Atlanticist military policies for their Hitler puppet is the Anglo-German Parvus project of 1915–1917. Certain forces among British Atlanticists had reached the conclusion that only the colonization of Eastern Europe, especially Russia, could provide a viable material basis for reviving the already-waning British Empire. Lacking the direct military means to accomplish this, the relevant British circles—with increasing concurrence from certain New York-based circles—adopted the policy of utilizing German military potential to accomplish British objectives. Thus, Parvus was successfully insinuated into the confidences of German intelligence beginning in mid-1915—after unsuccessful earlier efforts to the same end.

It was for this reason that the French Army did not go into the Rhineland in 1936. It was for this reason that the Munich agreement—inexplicable from a military-strategic correlation of forces at hand at that time—was enacted; that Admiral Canaris was ordered not to proceed with his army project for overthrowing Hitler, and that the initial phase of the Western Front War of 1939–1940 was described as a “phony war.” It was because of Stalin’s real, if foggy perceptions of this pattern that the Hitler-Stalin pact as adopted: Stalin, rightly fearing a joint Allied-Nazi War against the Soviet Union, attempted to place in Nazi hands the means for Hitler’s turning first against France and Britain. This is not to imply that Stalin was anything resembling a genius in this matter: he was enormously credulous, as the Tukachevsky affair illustrates. The fact is that the outlines of the plot were that obvious. Stalin’s efforts to divide his opponents were also obviously a delayed reaction to the British

and French allies rejecting the Tukachevsky plan and rushing into the clear signals of policy in the Munich agreement.

Weimar Germany and its fascist movements, originally created by Atlanticist intelligence agencies working through the Occupying Powers in Berlin, did not come to such a posture accidentally. From the beginning of 1919, at the latest, as today, Atlanticist policy for Germany was to use that nation as a gambit-pawn of “forward defense” for containment and invasion of the Soviet Republic. This project proved unfeasible during the immediate post-war period, and thus was deferred without being abandoned. The basic British policy as embodied in the essential points of the Parvus plan, has never been abandoned since by the hard-core of Atlanticists.

This is not to imply that the immediate current objective of Rockefeller and his allies is an actual invasion of the Soviet Union. As the Schlesinger Doctrine appropriately emphasizes, Rockefeller’s immediate military objectives are a crushing of all political opposition to his fascist economic schemes within both the advanced-capitalist sector and the developing sector. The danger of general thermonuclear war during either the immediate weeks ahead or no later than the summer of 1977 arises, first, because Rockefeller envisages a 1962-style capitulation of the Soviet leadership to a thermonuclear showdown as the most efficient means for terrorizing Western Europe and the developing sector into total submission; and, second, because Rockefeller and other circles foresee that 1977 is the last possible opportunity for a successful thermonuclear showdown with the Warsaw Pact. Because those Rockefeller forces are maddened by their current financial desperation, they are acting as blinded lunatics to the fact that any such confrontation as they propose inevitably means immediate general thermonuclear war.

Thus, from 1936 onwards Atlanticist Nazi policy shifted to a posture of using Hitler as a “breakaway” or “outlaw” ally— just as the RAND Corporation has proposed to employ Israel’s Dayan-Peres and South Africa’s Vorster of today. Hitler, militarily contained in the West, was to solve his internal economic problems by looting in the Balkans and to the East, and, after the attrition of fighting a war against the Red Army, both the Nazis and the conquered Soviet Union were to be subjected by the waiting Atlanticist military forces and their credulous French allies. (The Maginot Line was not merely a piece of military-strategic stupidity among relevant French military and related circles: it was the replacement of a policy of preventing German military revanchism—the policy of Clemenceau, *et al.*—by a policy of permitting Hitler to re-arm within a Western-fixed containment.)

As we have emphasized in other treatments of this general problem of Nazi World War II policies, the Atlanticist creation of the Nazi Frankenstein as a military power in Germany produced a monster which could no longer be controlled as a mere puppet of the sponsoring

New York City-based and London-based Atlanticist forces. Hitler, from mid-1940 onwards, became visibly a greater danger to Atlanticist power than the conquest of Russia represented an urgent material necessity for those same Atlanticists. Hence, the abrupt mid-1940 change in Atlanticist policies leading into the later developments of that war.

Once Schacht and his Atlanticist backers had created the Hitler-pest on the basis of Schachtian monetary policies, the sequelae, including the slave-labor death-camp systems, followed as inevitable, rigorously determined consequences of Schacht’s monetary policy. To support Schacht’s monetary policy, which requires then as now a certain type of political regime, is to commit oneself to the same and worse crimes which the Nazis accomplished during the period following Schacht’s formal degradation—for reasons of incompetence—from power.

Why Bankers Become Fools

In such exemplary cases as Nelson A. Rockefeller, we are encountering men who are flagrant liars, and whose stupidity is matched only by their lack of human moral criteria and impulsions. Nelson Rockefeller and his sort are moral lunatics, to whom no monstrous crime against humanity is forbidden by conscience. Among many West German bankers, industrialists and other relevant present sympathizers of the Hitler-Schacht policy revival, we encounter a somewhat different sort of moral-intellectual problem. These frightened men and women, caught between their cultivated horror of Soviet tanks and their greater fear of New York City, are hysterically evading their consciences’ voices because: (a) they believe that a Hitler-Schacht monetary policy is the only choice available to them; and (b) they desperately and probably devoutly wish that somehow there might not be a rigorously necessary connection between such monetary policies and the “terrifying goals and worst instruments.” They, like some other former liberals in New York banking circles, and certain Jewish circles around the American Jewish Congress, are acting today like so many Germans of 1933–1945 because—in part—they cannot understand the actual nature of and available solutions for the current global capitalist monetary collapse.

Like most capitalists and pro-capitalists, these unfortunate people are supporting fascist global policies and adventures because they do not understand the ABCs of *capitalist* economics. Thus, they fall into the wake of fascist Milton Friedman and Atlanticist ex-liberal Abba Lerner as admirers of the swindler Schacht.

I must temper my judgment of today’s leading West Germans in light of what I know to be the foreign pressures acting upon them, including certain manipulations of the neurotic hysteria on the “Russian question” radiating into that population both from among about 20 million post-war immigrants from the East and from the families of those who believe that

their fathers probably committed some mysterious horrors on the Eastern Front during the last war. It is typical, for example, to hear a German of today closing out the facts of Dresden, Hamburg, Bremen and so forth with the hysterical observation: “But, that time, we were on the wrong side.” The Atlanticists’ approved doctrine for West Germans is a focus on the terror of the enraged Red Army troops who moved into Hitler Germany at the end of the war—after having passed through the Eastern European areas recently occupied by the Nazi machine. The West Germans—according to approved Atlanticist Doctrines—are supposed to forget that it was Schacht and Hitler who brought these horrors upon them, and that it was the Occupying Powers who created such postwar horrors as the “Turnip Winter” of starvation. I, for one, will not fall into the obscenity of national chauvinism on this issue. The source of this horror is not Helmut Schmidt, and so forth, but Nelson Rockefeller, David Rockefeller, John D. Rockefeller III, George Ball, John Connally, Ray Cline, Jacob Javits, Marcus Raskin, Ronald Reagan, Henry Kissinger, James Schlesinger, and so on.

If we of the United States eliminate the power of the Atlanticist fascist monsters at home, and free West Germany from that pressure, then I am confident of positive developments from within West Germany—the same developments which were predominant prior to the Rambouillet conference of last November.

If the Paper Evaporated ...?

Any intelligent working man or woman can quickly understand the basic proof of the widespread stupidity now prevailing among bankers and most politicians. The following illustrations make the essential points.

First, let us imagine—*only imagine*—that all paper representing financial debt were to be repudiated across the board, leaving only equity titles to factories and so forth with legal authority. With the real economy remaining in legal force, would there be a comprehensive solution to the current depression? Absolutely, no real problem would be in the way, of not only total recovery, but of the greatest economic boom in world history!

Economics is fundamentally based on the matching of productive capacities (farms, mines, factories) and channels of distribution with productive labor. To put an existing economy into continued motion, it is merely necessary to match total personal income payments with personal consumption commodities production, and to expand total production beyond that amount for the purpose of producing capital-investment commodities. Given existing capacities and also the immediately realizable means for modernizing and expanding capacities in agriculture, mining, other extraction and industrial production, even with the obsolescence and related rickety-ness of much of our productive capacity, we have the physical capacities necessary to launch the greatest production expansion in world history.

If, then, all existing debt paper were invalidated, it would be no principled difficulty to establish a new monetary system on the basis of credit issued for discounting and rediscounting the relevant production orders involved in getting production under way again.

That solution to the current world depression is entirely practicable, and, moreover, is the only type of solution for the present crisis. Why, then, is it not under way? Why must production continue to collapse in the face of growing material want? Why are so many sections of basic industries collapsing under obsolescence and lack of proper basic maintenance? Why are real incomes collapsing? Why are basic medical and hygienic services being cut, even at a time which a global biological catastrophe has begun to emerge? Given the fact that a direct and practicable solution to all these problems immediately exists, is not the current policy of the U.S. and other culpable governments not essentially insane and even criminal in implications?

In part, the source of the difficulty is the willful wickedness of the leading Atlanticists. In part, it is also a fruit of the mere ignorance of the ABCs of economics among most leading circles.

To state the same point in other words: The delusion prevails among professed economists and others that the system of paper values directly corresponds to some essential reality of capitalist economy. This delusion persists, even to the point of hysterical obsessiveness, and even in the face of the sort of illustration we have given above. What these foolish, miseducated officials and academics refuse to understand is that, defining a capitalist economy as capitalist ownership of the institutionalized means of production and distribution, it is quite feasible to wipe out entire masses of debt-holdings and other secondary and tertiary papers, and to create quickly entire new credit and monetary super-structures—monetary systems—essentially by a willful act of governments.

Keynes and Schacht

It is relevant to this point to note that numerous governmental and other officials lately emphasize the fact that the principal source of increase in the number of professed devotees of the fascist Schacht is from the ranks of formerly liberal admirers of the British monetarist John Maynard Keynes. The pro-fascist Milton Friedman of Chicago, the advocate of current Brazilian and Chilean fascist economic policies, could scarcely be termed a former liberal, and was rightly held in contempt for his lack of mental powers by such leading Keynesians as Mrs. Joan Robinson. However, Rockefeller protégé Abba Lerner, despite his close association with the wretched Sidney Hook, does have credentials as an official Keynesian and former liberal, preceding his present admiration of the fascist Schacht and his notorious admiration

for the Brazilian model. Recently, the number of Keynesians who have gone over to open support of Schachtian fascist monetarist doctrines has significantly expanded.

This susceptibility to fascist monetarist doctrines among Keynesians is not accidental. Despite secondary differences in derived aspects of their doctrines, Schacht and Keynes proceed from the same axiomatic assumptions, and reflect the same utter ignorance of the existence of a real economy underneath the chain-letter nonsense of a monetary system without a controlling gold-reserve-ratio. Whenever the point is reached at which a Keynesian monetary system becomes bankrupt in fact, Keynesians tend to become Schachtians and to reject their former liberalism for fanatically fascist views.

It was not irrelevant to the popularity of Keynesian views among former academic circles that these delusions were most readily accepted among paper-shuffling bureaucrats and among over-aged college students who have never performed a productive day's labor in their life.

The industrial worker, the farmer, knows that his labor transforms certain raw materials and so forth into a finished material product, a part of the total spectrum of produced tangible wealth on which the material existence of the economy and its population depends. The service worker, the truck driver, the railway worker, the air-conditioning installer, and so forth, also has a sense of getting things done and making things work. Consequently, even though such strata of the population may become infected with popularized monetarist nonsense through school and ignorant press reports or through the speeches of political windbags and bankers, underneath these induced illusions, people who perform productive labor and useful services as a way of life have a basis in personal experience for understanding a real economy.

In contrast, consider the case of the college student who goes directly to college from a pampered suburbanite household, and who then becomes a professor or some sort of paper-shuffling bureaucrat. These, not astonishingly, are the layer who talk most freely of the “lazy workers” in today's steel and auto factories, like the drunken, overpaid tourists, who after rolling in the fleshpots of Italy's “La dolce vita” circuit, return to the U.S. and various European cocktail circuits to confide that the “problem with Italy is ...” What do such people, sipping their cocktails and nibbling *hors d'œuvres* at business luncheons, suburbanite cocktail parties, faculty meetings, and Rockefeller sponsored foundation or commission meetings know of real economy? To such people, reality, what seems to measure success or failure in their petty lives, is the shuffling of paper, the ritual repetition of approved verbal formulae, the shaping of ignorant prejudices. Like the wretched RAND Corporation “linguist,” Noam Chomsky, the “science” symbol, of paper, is the only reality which exists for them.

The first principle of real economy is the increased production of tangible forms of useful wealth. If the total of this wealth produced permits an improvement in the existing prevailing standards of personal consumption and leisure opportunities for the entire population, and suffices to maintain and improve agricultural and industrial productive capacities, then society is on a stable basis. Any increase in usable forms of tangible output above such requirements represents an absolute profit to the society, the margin of increased profit which makes the capitalist system function when it is properly functioning. If the rate of output of wealth falls below such requirements, then society is not producing any profit, and is headed for disaster.

This increase, as any skilled worker or farmer knows, is based on advances in technology, which, in turn, are subsumed by advances in scientific knowledge. Furthermore, the object of sane economy is to increase the margin of absolute profit of the whole society while at the same time advancing the standard of average personal consumption and leisure. This is done by introducing relatively advanced forms of productive technology in such a way as to increase the average productivity of production as a whole. This same approach enables society to supersede its dependence upon depleted natural and other resources by shifting to new kinds of resources.

Any economic or monetary policy which furthers such objectives is more or less sound; any monetary policy which does not satisfy such criteria is incompetent, and ultimately downright insane. If the existing monetary system does not permit the indicated sort of policies, then that monetary system must be scrapped and a new appropriate monetary system established to replace it.

However, to the Keynesian or the degenerated Keynesian, the Schachtian, the existing monetary system, as represented by the existing mass of financial debt-obligations is what is primary. To the Schachtian, the economy is merely a means to serve the monetary system. Whereas to the point of view of industrial capitalism, the sane view shared by workers and farmers, the monetary system exists merely to serve the economy.

The Rockefeller faction among Atlanticists has two distinguishing features which make it particularly insane by disposition, and particularly, intrinsically fascist in its outlook. The distinction of the Rockefellers is that their orientation to production emphasizes raw materials, e.g., the simple looting of nature, while otherwise their approach and self-interests are purely monetarist in form: the transformation of paper assets into more paper assets. It is a historical fact that any aspect of capitalist power oriented to the notion that raw materials represent the basis of wealth has a characteristic tendency to be ignorant of the realities of production and monetary policy generally. (This problem infects OPEC nations, to whom the magical transformation of a few dimes' worth of petroleum at the well-head into ten

dollars or more of commodity, through actually insane monopolistic practices, has made those OPEC nations in part so susceptible to manipulations by the Rockefellers and related interests.) Added to this distinguishing incompetence of the Rockefeller group generally, there is the past decade's emphasis on the purely monetarist swindle as the conception of wealth-production.

This ignorant, actually anti-human conception of wealth finds a ready audience among the flatulent, chair-bound paper-shufflers and windbags of the bureaucracy and academic faculties.

Thus, in order to attempt to save a bankrupt monetary system, the Rockefellers and their wretched camp-followers and other stooges are prepared to slash world production levels, unleash international waves of blind terrorism, use weather control and manufactured earthquakes as tools of political warfare against friendly nations, launch regional nuclear wars as a mere matter of political deployments, and to wipe out a major segment of the present world's population through diseases and wars, merely so that Rockefeller *et al.* will not have to suffer a loss of their bookkeeping wealth. Now, they demand Hitler and Schacht.