

## How George Shultz became a Tavistock brainwasher

by Richard Cohen, Washington Bureau Chief

By birth and training, Secretary of State George Shultz is the perfect representative of the European oligarchy within the government of the United States, as that oligarchy implements its plans for the transition into the post-industrial society. Particularly useful to the oligarchy is Shultz's education in the techniques of social control, profiling, and brainwashing developed at the London Tavistock Institute. These are also the very elements of Shultz's portfolio which have come in handiest in his role as a director of and collaborator with the political career of Henry A. Kissinger.

### The Shultzs of New York

The political activities of the New York metropolitan area-based Shultz family began around 1912, when George's father, Birl Shultz, entered into collaboration with the British-run revisionist historian Charles A. Beard, then a professor at Columbia University. Young George's worldview was shaped by the influence of Beard and his circle, the promoters of British liberalism and the subversion of historiography in the United States at the time.

Birl Shultz, like his father, followed the tradition in his Episcopalian Dutch family by attending Princeton University. In 1923, he founded the New York Stock Exchange Institute to train Wall Street brokers. More than four decades later, George would confide that those influential U.S. government individuals he has trusted most were Truman's Secretary of State Dean Acheson, and JFK's Treasury Secretary

and partner in the Wall Street investment house of Dillon Read, C. Douglas Dillon, who did his utmost to prepare for cutting the U.S. dollar off gold and turning the world monetary system into a Eurodollar swamp.

Arthur Burns (who got George his first Washington job in 1955-56), and Henry Kissinger—both are assets of the pro-British New York investment and commercial banking group in which his father was immersed.

### A good British education

After attending the anglophile Loomis School in Connecticut, George obtained a B.A. in economics at Princeton. Following three years of service in the Marine Corps during World War II, Shultz stationed himself at the Massachusetts Institute of Technology seeking a Ph.D. in the field of industrial relations. He had entered into an environment suited to complete his training.

In 1945, the year Shultz arrived at MIT, the Tavistock Institute's Kurt Lewin set up the notorious Research Center for Group Dynamics on the MIT campus. The Research Center, which set up shop permanently at the University of Michigan in the following year, was and still is a direct U.S. affiliate of the London Tavistock Institute brainwashing center. Included in Lewin's original MIT grouping were top graduates of the World War II Strategic Bombing Survey (later to be reorganized as the Rand Corporation), and the wartime Office of Manpower and Development. During the



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*The perfect technocrat, Shultz presiding as Secretary of State at an August press conference.*

war, these “best and brightest” psychological warriors conducted dozens of studies of human behavior, particularly under conditions of stress. These studies, which included evaluations of populations’ response to war-time industrial speed-up, economic depression, terror-bombing, as well as close-up studies of the soldier on the battlefield and the response of the German population to Nazi institutions, serve as the fundamental guideposts to the brainwashers’ art up to the present day.

Following World War II, Lewin’s crew was deployed into the newly created and burgeoning field of “industrial relations,” with a mandate to “lower the cost of labor” in the economies of the developed sector. Lewin’s MIT Research Center collaborated with the Rockefeller-funded Elton Mayo Institute of the University of Chicago and the infamous Hawthorne Experiments conducted at Harvard University’s School of Industrial Relations from 1939-40. Using techniques previously tested by the Nazi Labor Front, these brainwashers sought to create “artificial small-group” communities at the factory or department level which could be used to psychologically pressure the industrial worker into intensifying his own conditions of speedup and accepting wage cuts.

### **The ‘human side’ of labor bashing**

By 1948, George Shultz had become a fellow on the Lewinite Social Science Research Council, a group which

pulled together the research trends of other institutions of its ilk and published policy perspectives for managers and government. In Shultz’s writings for the council, he consistently stresses the importance of the “human side” of lowering labor costs within the bounds of “collective bargaining.”

In two works of the early 1950s, Shultz reflects the influences of another MIT mentor, Prof. V. Douglas Brown, and of Shultz’s collaborator Charles A. Myers and Brown, in conjunction with others at MIT, in the 1930s had heavily promoted the so-called Labor Market Model for reducing labor costs. Assisted by John T. Dunlop (later to become Secretary of Labor, and an intimate friend of Shultz’s), these MITers conducted extensive studies, at government expense, of wage rates in several U.S. industries. The chief and not very startling hypothesis that resulted from their work was that speedup and wage-gouging could be accomplished not only by Tavistockian brainwashing (Shultz’s “human-side” approach), but with external threats and pressure as well: for example, through such factors in the economy and labor market as depression and unemployment. In 1951, Shultz collaborated with Charles Myers to write *The Dynamics of the Labor Market*, which put forward the corollary that rising unemployment is most efficient in prompting industrial workers to accept speed-up, unless management is artificially restrained from anti-labor measures by government programs or by trade unions. This theory was applied with a vengeance against America’s workforce during Shultz’s 18-month reign as Secretary of Labor under President Nixon.

By the early 1950s, Shultz’s expertise as a “labor handler” had been well established, and he began to move rapidly up that aspect of the career ladder he had chosen. In 1954, he was appointed chairman of the Industrial Relations Division of MIT, where he developed an intimate relationship with several labor leaders, including visiting lecturer Joe Scanlon, a negotiator from the United Steelworkers of America (USWA). Scanlon, who remained the key adviser to USWA President I. W. Abel until his retirement, Shultz praised as having “an unparalleled sense of the human side of enterprise.” This referred to Scanlon’s appreciation of Tavistock’s “fascism with a human face” version of Nazi corporatism.

Shultz served as a consultant to the Department of Labor from 1959 to 1960, and in 1961 became chairman of the experimental corporatist Automation Fund, on the board of which sat representatives of government, labor, and business. About this time he also became a consultant to President John Kennedy’s Advisory Committee on Labor-Management Policy.

### **The influence of W. Allen Wallis**

No account of how the earlier period in Shultz’s career development signifies what may be expected from him as Secretary of State could be complete without reference to his friendship with W. Allen Wallis, who was serving as the Dean of the University of Chicago’s Graduate School of

Business when Shultz moved his based of operations to that institution in 1957. Wallis is all the more important, as he has recently been named by Shultz as the Assistant Secretary for Economic Affairs at the State Department.

Wallis launched his public career at the 1932 Conference on Eugenics at the New York Museum of Natural History, where he delivered a paper attempting to prove the racial superiority of the Nordic race by statistical means. From there, Wallis completed his education at the University of Chicago, where, according to Wallis's own account, he began close collaboration with his fellow-student Milton Friedman and others to launch a war against the system of government-directed economic development known as dirigism. In 1942, Wallis and Friedman co-authored *Studies in Mathematical Economics and Econometrics* as part of this effort.

Not long thereafter, Wallis became the first Treasurer of the Swiss-based Mont Pelerin Society, a secret clique of British-liberal-leaning free enterprise economists which has deployed since its founding against the economic policy-making institutions of the United States.

Wallis had something to teach Shultz about the theory and practice of brainwashing as well. In 1953-54, as director of the Ford Foundation program of university surveys on behavioral science, Wallis provided the initial funding of the Center for the Advanced Study of Behavioral Sciences at Palo Alto, California. From this nest was to spring the program of British intelligence agent Aldous Huxley and Gregory Bateson, the husband of Museum of Natural History race scientist Margaret Mead.

Huxley, Bateson, and others took the Tavistock Institute techniques to their conclusion with the Palo Alto-spawned and CIA-funded MK-Ultra drug proliferation experiment of the mid-1960s. The Palo Alto center has also reportedly been involved in the artificial creation of counterculture communities, and cults such as the Jonestown atrocity. Wallis himself was a fellow at the center in 1956-57, and he recommended Shultz for the same position in 1968 and again in 1974.

In 1960, Shultz's friend Wallis described his circle's major protagonist as "neo-mercantilism," the common appellation for the 18th-century school of political economy descended from Gottfried Wilhelm Leibniz and headed in the United States by Alexander Hamilton. "Now it seems to me worth recalling that the present debate is one which we have gone through before," Wallis wrote during this period. "It is the old debate of the 18th century between liberalism and mercantilism. Mercantilism has never disappeared," Wallis lamented, "it simply diminished."

Then, plagiarizing from Birl Shultz's associate, the revisionist historian Charles A. Beard, Wallis also asserts that the founding of the United States was provoked by a reaction against neo-mercantilist policies such as nationally-centralized control of credit, in favor of British liberalism.

There is little doubt that Shultz's recent appointment as U.S. Secretary of State was engineered by the European-

centered Malthusians and their Swiss-based Bank for International Settlements (BIS), to position Shultz and his good friend Henry Kissinger to complete the job Shultz initiated during the course of the Nixon and Ford administrations. As I reported in the first part of this series (see *EIR*, Sept. 7), Shultz played a key role in the creation of the Office of Management and Budget, and served as director of this new division under President Nixon. The OMB, perhaps the most important executive-branch reform of the post-war period, was aimed at stifling the influence of constituency groups and their elected representatives in congressional and executive-branch budget-allocation decisions.

### **Shultz's recent deployment**

Shultz proceeded to serve 18 months as Secretary of Labor, during which time he revealed the depth and breadth of his talent to serve the oligarchy and its economic policy, engineering a number of dramatic innovations aimed at cutting the national wage bill. In July 1969, Shultz announced his "Philadelphia Plan," which required Philadelphia construction companies with federal contracts to hire a specified quota of minority workers at non-union wage scales, in open defiance by the Department of Labor of the federal Davis-Bacon Act legislation. Reportedly, Shultz considered the plan an appropriate antidote to new industry wage increases. In September 1969, at Shultz's urging, Attorney General John Mitchell upheld the constitutionality of the Philadelphia Plan, and despite a series of "hard-hat" demonstrations, Shultz forced its acceptance in Philadelphia by threatening to spread it to other cities if the unions did not submit. The unions assented in February 1970, and Shultz championed an administration decision to suspend relevant provisions of the Davis-Bacon Act.

In March 1970, Shultz, after intervening to break the East Coast longshoremen's strike and the three-month-long strike against General Electric, entered into the middle of the national postal strike. This he dealt with by calling out the National Guard to sort the mail in New York City.

Shultz's operations against the nation's trade unions also included a foray against the United Mine Workers. In early 1970, he opened a federal investigation of the December 1969 UMW presidential elections. These elections were voided by the Labor Department, and, in government-directed 1972 elections reform candidate Arnold Miller was elected.

In the span of a year and a half, Shultz had successfully deployed the National Guard against an American labor union, used unemployed minorities to break the construction trade unions through a breach of Davis-Bacon, completely broken the personally corrupt but effective leadership of the UMW, undermined the national minimum-wage standard, and pushed forward national labor-brainwashing research. As Shultz put it in a 1975 speech to the graduating class of New York University, the post-war era of national prosperity had been left behind for a new "Age of Ambiguity." One of its god-fathers was Shultz himself.