

Kissinger and Shultz exploit Ronald Reagan's delusions

by Lonnie Wolfe

Former Secretary of State Henry Kissinger and his allies inside and around the administration are consolidating their hold over U.S. policy as a deluded President congratulates himself on his tax bill's passage. On Aug. 13-15, Kissinger huddled with former top aides from the Nixon-Ford era at a private meeting at Gerald Ford's Vail, Colorado ski lodge. Word filtering down from that meeting is that Kissinger and his accomplices are confident that Mr. Reagan is headed for certain political disaster.

The Fed question remains

The President is in a classic no-win situation. From the outset of the fight for the tax bill, it was obvious that he would be forced to walk away from portions of the political constituency that elected him. That constituency demanded an all-outfight against the Federal Reserve and its interest-rate policies, which are destroying the economy and the Reagan program. Instead of finally taking on the Fed this summer, congressional sources say that Reagan made some oblique threats against Fed Chairman Paul Volcker and then reached an accommodation with him. The President was promised Fed action to reduce interest rates; in exchange, Volcker effectively ordered Reagan to throw his weight behind a fight for a tax increase or face a new rise in interest rates.

So instead of Volcker being fired or forced to resign, by late August, the White House was turning its guns on conservative Republicans and Democrats, demanding that they back a massive tax increase in an election year.

But Reagan advisers knew from the beginning that it would be impossible to pass a tax increase with his previous GOP and conservative Democratic votes alone. The tax vote, even if successful, would therefore force a fundamental realignment of the President's political and congressional majorities. For the first time he would rely on votes delivered by the Democratic Congressional leadership under House Speaker Tip O'Neill. The White House calls this "bipartisanship," but aides to O'Neill are privately laughing at the delicious situation they had put the President in: Reagan locked in a devil's embrace with one of the most hated men in the country, Paul Volcker. This was evidenced by the effusive praise heaped on Paul Volcker by Treasury Secretary Donald Regan following the Aug. 16 stock-market rally.

When the President appeared in the White House Rose Garden to announce the day after that rally that a recovery

was around the corner and to appeal for votes on the tax bill, the red-nosed Tip O'Neill appeared at his side, to announce that he was supporting the bill "for the good of the country." But O'Neill has been sure to tell the press at every opportunity that the Democrats did not think that the tax bill or the President's program would work, and that the economy would definitely not recover, whether the bill passed or not.

Reagan's aides are mounting damage-control efforts vis-à-vis their shattered political coalition. But the leadership of the "New Right," including such Tories as Richard Viguerie of *Conservative Digest*, have indicated that they intend to inflict political revenge on the White House for "its abandoning of conservative principles."

The White House political machine is in horrible disarray. Most importantly, any effort to patch up the coalition is dependent upon the ludicrous assumption that Reagan policies are going to produce a recovery. It is this lie, which the President fervently believes, that will be his political undoing.

The gains for Kissinger

Henry Kissinger is thus prediscounting the total collapse of Reagan policies and is preparing to step into the void, with his advisers and allies, to dictate policy. The more Reagan is isolated from his base, Kissinger reasons, the more he is forced to turn to the Kissinger wing of the GOP, the so-called moderates like Sen. Charles Percy (R-Ill.), and their counterparts in the Harriman wing of the Democratic Party. This has been referred to by the Kissingerites as Reagan "broadening his base."

Gerald Ford, one of Kissinger's puppet Presidents, made this point in a nationally televised interview from the Vail, Colorado meeting on Aug. 15. Reagan, said Ford, is going to learn the lesson that he must move toward the center of the GOP, where Ford and his friends reside. This, said the man who was Kissinger's choice for "co-President" in the 1980 election campaign, is what Reagan "must do if he is to continue to govern."

George Shultz, one of the Nixon-Ford team members who did not attend the Vail conference, was busy beginning the reorganization of the State Department according to Kissinger's policy lines. He is now conducting a thoroughgoing policy review on all matters, and will overhaul State when it is completed. Shultz, who in his first week in office brought Kissinger to the White House for much-publicized consulta-

tions on Mideast policy, is now meeting with others in Kissinger's orbit. On Aug. 17, he met with former Undersecretary of State Joseph Sisco on Middle East policy. That day, State Department spokesman Alan Romberg confirmed the substance of a Joseph Kraft column reporting that Shultz was preparing to "broaden the foreign policy consensus," stating that he would meet with "experts" on U.S.-Soviet relations the weekend of Aug. 20. Included prominently on the list are Helmut Sonnenfeldt, Brent Scowcroft, and William Hyland, all former Kissinger aides on the National Security Council, as well as Norman Podhoretz, the head of the Committee for the Free World and a recent "Kissinger believer." In addition, Shultz has been shuttling back and forth to Capitol Hill to meet with Kissinger's Senate stooges, Charles Percy and Charles Mathias (R-Md.) Committee.

The major feature of the Kissinger foreign policy is a projected shift in the conduct of U.S.-Soviet relations. Sources report that this policy will resemble what was laid out by another victim of Kissinger's in two op eds in the Aug. 18 and 19 *New York Times*. The new détente, which Nixon terms "hard-headed" in an obvious appeal to Reaganite rhetoricians, is a rehash of the old Kissinger "wheeling and dealing" prescriptions. Nixon argues for using both the carrot and stick, stating that it works far better to coax the Soviets than to obliquely confront them. This silly Tavistockian approach to diplomacy as psychological manipulation and warfare is to be the centerpiece of the proposed new Kissinger administration. According to reliable sources, Kissinger himself is now working on the East-West trade question, talking to the Soviets, at the behest of George Shultz.

The Shultz question

The President is a sincere man and he no doubt would be sincerely upset if he understood what was happening to his administration. But he does not. Just as he believes that his economic program will work, he has placed his faith in George Shultz, a man whom the Kissingerites describe as "their asset."

When Haig was fired for insubordination last June, White House sources reported that they distrusted *all* State Department policy initiatives and regarded Foggy Bottom as a nest of vipers hostile to the President. Their plan, at that point, was to deaden the State Department as a policy channel and run all foreign policy directly out of the White House. But Shultz has apparently succeeded in changing this. The State Department still runs foreign policy, pulling the White House along in tow.

"It's time to take off the gloves on George Shultz," *EIR* founder Lyndon LaRouche said Aug. 20 after hearing that the new Secretary of State had referred to Henry Kissinger as the person from whom he was pleased to take his foreign policy. Shultz's rhapsodic remarks were delivered at a press conference and transmitted across the U.S.A. on live national

television, in response to a question by *EIR* correspondent Stanley Ezrol.

In the course of his press conference, Shultz repeatedly echoed the words of Dr. Henry Kissinger, whom he described as a "wonderful person and a great friend," in saying that the "recent bloodshed" in Lebanon provided a "great opportunity" for progress toward a permanent peace in the region.

Ezrol asked the Secretary, "Mr. Shultz, your statement today on the opportunities for an overall peace in the Mideast echo statements made last night on national television by Dr. Henry Kissinger. You have met several times over the last few weeks with Dr. Kissinger, and tomorrow you are meeting with a number of so-called foreign policy experts, most of whom have served as assistants to Dr. Kissinger. The *Executive Intelligence Review* has reported that Dr. Kissinger is becoming the principal foreign-policy adviser to this administration; to what extent are these reports true?" After explaining that legally, the Secretary of State is the leading foreign policy adviser of the administration, Shultz said, "Dr. Kissinger is a wonderful person and a great friend. . . . I have enjoyed the benefit of his insights often. . . . He was one of the first visitors who came to me after my confirmation . . . and I expect to take advantage of his advice in the future. . . ."

Ezrol attempted to follow up his question by asking, "Dr. Kissinger has been named in a number of criminal investigations in Italy. . . ." At that point, Shultz acted to prevent a nationally broadcast discussion of his "great friend's" criminal activities by shouting, "Oh, come on!" and signaling for another questioner.

"President Reagan must be made to understand," said LaRouche, that his Secretary of State cannot remain in office with such an endorsement of Kissinger's genocidal policies in effect. "The United States can no longer tolerate homicidal maniacs in government," said LaRouche. "President Reagan must tell George Shultz, 'either retract your televised statement on Kissinger, or resign.'"

Insofar as Ronald Reagan has "stood for" anything in the minds of those who furthered his career in the GOP, and those who later voted for his presidency, he has stood for repudiation of Henry Kissinger and all his works. Now, if he does not instruct Shultz to retract his blanket endorsement of Henry Kissinger, Reagan will have broken an implicit promise to all Americans to keep Kissinger out of his administration.

Kissinger on U.S. television two nights ago was a sight to behold. Visibly nervous, Kissinger delivered his "historic opportunity" routine on the Middle East. In short order, it became clear to qualified observers that, where Henry said "Camp David II," what he meant was the "Bernard Lewis Plan" for shattering the region into sectarian mini-states, and that every time he spoke of the need for stability in the region or assigned a nation a role in his scenario, he was prescribing the method for destabilizing and shattering that nation—including Israel.