

## James Baker III: the man who'll keep Bush in line

by Kathleen Klenetsky

The overwhelming majority of the Eastern Establishment is working overtime to ensure that the next U.S. President, be he George Bush or Michael Dukakis, will pursue a complementary set of foreign and domestic policies that will mean savage austerity at home, and the elimination of the last vestiges of American power abroad.

Although Dukakis is seen as a far more appropriate frontman for this dangerous and foolish policy thrust, Establishment factions are counting on Bush confidant James Baker III, the well-connected Houston native who is almost certain to be named Secretary of State, to steer a Bush administration down the same disastrous course to which Dukakis is already totally committed. With the evidence now pointing to a Bush victory Nov. 8, efforts to ensure that President Bush will be surrounded on all sides by Baker and his cronies have reached fever pitch.

According to reliable sources, Baker is the person who is expected to persuade Bush to renege on his promises not to raise taxes, and to embrace, instead, the massive assault on U.S. living standards which the Establishment is now preparing, and to accept suicidal constraints on the U.S. defense infrastructure, including fatal spending cuts in the Strategic Defense Initiative.

### The Establishment talks . . .

Wall Street banker Peter Peterson, who is regarded by some circles as the *capo da tutti capi* of the American elite, not least because he currently heads the New York Council on Foreign Relations, has provided a straightforward description of the agenda which he and his fellow policymakers have decided to foist on America and its allies. Peterson provides that agenda in his new book, *On Borrowed Time*, where he bluntly states in the introduction that the incoming President

must implement brutal cuts in social and defense spending during the first 100 days of his administration, or face the political collapse of his presidency.

"If the new President wants to avoid becoming Herbert Hoover redux," Peterson warns, "he should boldly seize this opportunity and tackle the 'twin towers' of the budget and trade deficits with a twin summit strategy: a domestic summit followed by an international summit." The agenda for the domestic summit, he says, "must include structural reform of entitlements . . . moderating defense growth and implementing consumption-based taxes. . . ."

"In looking where to cut, in deciding whose ox is to be gored, the obvious domestic targets are the fattest ones, the programs that account for the largest share of government spending and tax subsidies. These are the non-means tested entitlements like Social Security, Medicare, and federal pensions. . . . [W]e must move from age-based to need-based programs. . . . This will involve not only a substantial restructuring of entitlement programs themselves, but also a substantial modification of the way we think about them."

The international summit, Peterson says, should seek to wrest massive concessions from Western Europe and Japan, in the areas of defense, trade, and Third World debt. Specifically, says Peterson, this summit should establish a "global bargain . . . in which our foreign partners make equally demanding contributions," by underwriting the developing sector's debt burden, and by agreeing to more defense "burden-sharing," a euphemism for the planned American military withdrawal from Western Europe and the Pacific.

Assorted think-tanks and commissions are now scrambling to produce a host of variations on Peterson's theme, all scheduled to hit the ground running after the election.

Among the more influential "agendas for the presidency"

now in the works is one being produced by a group called American Agenda. Former Presidents Gerald Ford and Jimmy Carter serve as its honorary co-chairman, and its bipartisan executive committee includes such political luminaries as former Secretaries of State Henry Kissinger and Edmund Muskie, Democratic "fixer" Robert Strauss, former Congressional Budget Office director Alice Rivlin, retired Gen. Brent Scowcroft of Kissinger Associates, union leader Glenn Watts, and American Express chairman James Robinson III. James Cannon, former aide to Nelson Rockefeller and Howard Baker, together with Stu Eizenstat, Jimmy Carter's chief domestic adviser, are coordinating the outfit's day-to-day activities.

Within 48 hours after the next President is chosen, American Agenda is scheduled to present to him more than 35 position papers by various experts, covering topics ranging from AIDS to Soviet policy. Dukakis and Bush have each agreed to meet with American Agenda representatives immediately after the election, if he is elected. "Two days after the election," an American Agenda press handout states, "the next President gets its report for 1989; the problems outlined, solutions proposed."

The Center for Strategic and International Studies, a prominent Washington think-tank which boasts Kissinger and Zbigniew Brzezinski among its resident celebrities, is conducting a similar, though less publicized, project under the direction of Dr. Robert Hunter. Hunter formerly served as a top aide to Sen. Ted Kennedy (D-Mass.), and the Carter National Security Council, and is on the public record urging a drastic restructuring of NATO to accommodate a U.S. troop pullout.

### . . . And Jim Baker listens

The most important vehicles for ensuring implementation of this agenda is the National Economic Commission, which Congress set up last December, at Wall Street's behest, to develop a "deficit-reduction" package for the next President. Commission co-chairmen Bob Strauss and Drew Lewis, a Republican Party insider who now heads Union Pacific, have already publicly stated that the NEC will almost certainly tell the incoming President he must hike taxes, savage entitlement programs, and further reduce defense spending.

James Baker III's long-standing relationship with fellow Texan Bob Strauss will be instrumental in convincing a President Bush to work with a Democratic Congress to implement the commission's austerity prescription, despite Bush's campaign-trail vow that he won't let the NEC dictate to him, a source close to the commission recently confided.

"We've been treading water up till now," the source said, "but as soon as Nov. 8 rolls around, just watch us go into action. We've already got two days of public hearings lined up for Nov. 15 and 16," featuring "big names" like Fed chairman Alan Greenspan, and commission members plan to meet privately nearly every day until Dec. 21, when the group is due to sit down with the President-elect and tell him what he policies he has to follow.

The source dismissed George Bush's attacks on the commission and his repeated assertions that he won't entertain a tax hike as "just a lot of campaign rhetoric," and revealed that NEC members have been "in touch, informally," with both the Dukakis and Bush camps. "It's unrealistic to think," he stressed, "that with Drew Lewis and Bob Strauss being close friends of Jim Baker, they haven't had plenty of discussions" about how to get George Bush to toe the NEC line.

Sources in the genocide lobby predict that Baker will play a key role in persuading Bush to hop aboard the population-control bandwagon he abandoned when he joined the Reagan administration. The source said that he knows from personal discussions that Baker "is strongly committed to population control," and that, as Bush's Secretary of State, "will have a leveling influence" on his old friend. Baker, together with longtime Bush intimate William Draper III [whose father founded the infamous neo-malthusian Draper Foundation], will "get Bush to see the light once again" on population issues.

Other well-placed sources concur that Baker is the person to keep Bush in line, by controlling the flow of information and advice, and by insulating him against any input from more rational layers, and even from the grass-roots Reagan base. Indeed, plans already exist to rope in this latter constituency behind the Establishment's agenda through the populist Libertarian Party.

The *Washington Times*, which supposedly speaks for the "conservative" elements of the Republican base, carried a feature commentary by syndicated columnist Warren Brookes Oct. 26, calling on the NEC to invite Libertarian presidential candidate Ron Paul as the first witness at its Nov. 15-16 hearings, because he is the only candidate with a "real deficit-reduction plan." That plan calls for cutting \$150 billion from the federal deficit in 1989, by abolishing farm subsidies; freezing Medicare benefits and Social Security cost of living adjustments; and slashing military spending. Brookes quotes Paul: "I think NATO has weakened the West. . . . We could cut \$85-\$100 billion a year in military expenditures . . . by backing away from our interventionist foreign policies, including keeping 40,000 troops in Korea."

Whether populist Paul realizes it or not, there's very little difference between what he's proposing and what the Establishment is pushing, including in the defense and foreign policy realm. Brent Scowcroft, who serves on the Bush campaign's strategic advisory panel, underscored the convergence on these issues now being forged among the Dukakis and Bush factions of the Establishment, when he claimed to the Oct. 26 *Washington Post* that Bush is "clearly aware" that the SDI cannot continue to take an increasingly large share of a tight defense budget. "There is just absolutely no doubt that SDI cannot continue along the lines that Ronald Reagan wanted it to. It's impossible." James Baker is widely known to oppose the SDI, and will undoubtedly try to use his position in a Bush administration to put the final nail's in the SDI's coffin.