

## Bush moves toward austerity dictatorship

by Kathleen Klenetsky

Using the impending war with Iraq as a rationale, the Bush administration is rushing to invoke emergency wartime powers that will allow it to seize control of the economy, control wages, ration food, fuel, and other critical supplies, dragoon personnel, and suppress all political opposition to these draconian measures.

*EIR* predicted last August, and in a cover story in its Nov. 23 issue, that Bush would employ the Gulf crisis as a smokescreen for implementing a domestic economic austerity regime so severe in nature that it could not be accomplished politically without the police-state powers available to the President in a national emergency—real or manufactured.

Bush's "solution" to the depression, we said, not only depends on looting the Third World of its raw materials—which is what the war against Iraq is all about—it also depends upon equally bloody-minded looting of the living standard of the U.S. population.

### **Bush as dictator**

That forecast has now come to pass.

On Jan. 9, the President took a major step toward making himself dictator, when he signed an executive order requiring companies to give military contracts and orders priority over all other commerce.

The order, "Security Industrial Responsiveness," authorizes the Secretaries of Agriculture, Commerce, Energy, and Transportation to mandate "prompt delivery" to the government of a wide range of goods, from food and fuel to transportation, construction, and production materials.

"The United States must have the capability to rapidly mobilize its resources in the interest of national security," reads the order. "Therefore, to achieve prompt delivery of articles, products, and materials to meet national security requirements, the government may place orders and require

priority performance of these orders." A senior Pentagon official told the Jan. 10 *Washington Times* that the order "puts companies on notice" that they must fill orders for the military first.

Depression conditions in the U.S. have already caused production levels to plummet, while significant parts of the nation's overall agricultural and manufacturing capacity have been shut down by the "post-industrial society" and environmental lunatics. Under these circumstances, military demands for priority deliveries will drain goods from the civilian sector, causing hardship especially among the less well-to-do. Delivery of medical care has already been stretched thin, particularly in rural and inner-city areas, because so many medical personnel in the military reserves have been ordered to the Gulf.

While calling the executive order "a reasonable and prudent thing to do," General Motors President Lloyd Reuss also cited the potential for disruption of the civilian economy. The U.S. auto industry has, in recent years, converted to a just-in-time inventory system that would quickly shut down its assembly lines if the flow of raw materials were interrupted, he noted.

### **A million more to war?**

Although the administration's crisis-management apparatus, run by the Federal Emergency Management Agency (FEMA), has been churning out national emergency scenarios since the Gulf crisis began, the executive order represented the first public indication that Bush has decided to opt for government-by-decree.

Another was Secretary of Defense Richard Cheney's announcement that he will ask for authorization to mobilize an additional 1 million reservists for a period of up to two years. Under current law, only 200,000 reservists can be called up

at any one time, and that for six months at most.

Already, families of reservists called for duty in the Gulf have suffered substantial financial and social dislocation. A reservist's pay is generally far less than what he or she earns as a civilian, which means financial sacrifice for the family, on top of personal sacrifice: separation from loved ones and the danger of being killed or wounded in Bush's lunatic adventure. If Cheney's plan goes into effect, many more Americans will be adversely affected, and for a much longer period of time.

Cheney's request can only be granted if the President declares a national emergency. If such an emergency is declared, the President can then invoke a wide range of other emergency measures, ranging from export controls to the use of the military to suppress political opposition.

A vast array of such emergency powers, in the form of legislation, national security directives, and executive orders, already exists, waiting for the imperial President to invoke them. Indeed, just days after Bush won the 1988 presidential elections, outgoing President Ronald Reagan, reportedly responding to his Vice President's urging, issued Executive Order 12656, which further refined the structure for rule-by-decree.

### **FEMA in control**

Not surprisingly, FEMA—which was created explicitly to function as a government-by-fiat in the kind of manufactured emergency epitomized by the present crisis—has been given overall power to implement Bush's Jan. 8 order. "Proposed department and energy regulations and procedures to implement the delegated authority under this order . . . shall be coordinated by the director of the Federal Emergency Management Agency, with all appropriate departments and agencies," the order states.

FEMA is preparing to go to Congress with draft legislation that will expand its powers, and will reportedly allow it to intervene in states without their specific invitation, as is presently required.

The Jan. 8 executive order is only the tip of the iceberg of the top-down control the administration has in store for the economy. The Federal Reserve Board put out the word in mid-January that it will act to prevent "turmoil" in the financial markets in the event of war.

The Department of Energy has run five "scenarios" since September for controlling oil supplies in the event of a war-induced energy shortage, according to John Easton, assistant secretary for international affairs and energy emergencies at the Department of Energy. In early January, top oil company executives huddled behind closed doors to plot emergency energy controls. And the Petroleum Marketers Association has called on Congress to "grant President Bush emergency standby price and allocation price control authority which could be enacted in the event of . . . an emergency," like a Mideast war.

### **Goodbye, Constitution**

Along with Bush's move toward command economy comes the threat that Americans' fundamental constitutional rights will be abrogated, in the name of "national security."

Free speech and freedom of the press are already on the chopping block. On Jan. 7, the Pentagon issued guidelines for coverage of the Gulf which have been blasted as censorship by, among others, Ron Nessen, White House press secretary under President Gerald Ford. The guidelines include a requirement that all media reports emanating from the Gulf theater be reviewed by military censors before publication, and that reporters covering the war "remain with your military escort at all times, until released, and follow their instructions regarding your activities."

Domestic censorship is under way—by the media itself. All three major TV networks, plus Cable News Network (CNN), have refused to air a paid anti-war advertisement produced by the Military Families Support Network. NBC affiliate WRC TV in Washington, one of the direct beneficiaries of Kuwaiti largesse, claims that the ad "serves to heighten the emotional agenda . . . and does not add to the community's dialogue on this very important issue."

The Military Families Support Network was founded by Thomas Molnar, the Wisconsin university professor who made international headlines when his open letter to President Bush, opposing the war, was printed in the *New York Times*. They point out that while the Kuwaiti government is spending millions of dollars on advertisements supporting the war policy, they are being blacked out of the talk show circuit as well.

A very real possibility also exists that the government will impose a Soviet-style crackdown against the burgeoning anti-war movement. The above-mentioned Executive Order 12656 authorizes the Justice Department to, among other things, "develop intergovernmental and interagency law enforcement plans to respond to civil disturbances that may result in a national security emergency or that occur during such an emergency."

FEMA has had contingency plans for quashing an anti-war movement dating back to a 1984 exercise called "Rex '84." Based on a hypothetical U.S.-Soviet confrontation in Central America, it included detailed plans for rounding up and putting in detention camps Central American refugees who had fled to the U.S., as well as for crushing a domestic anti-war mobilization.

### **Internment camps being prepared**

That exercise now appears to have been activated. The FBI began in early January to "interview" Arab-Americans, supposedly to find out if they had any knowledge of potential terrorist activities should war break out. The operation has drawn outraged protest from the Arab-American community, as well as from civil libertarians, who fear the FBI is preparing for rounding up targets based on ethnic origin once hostil-

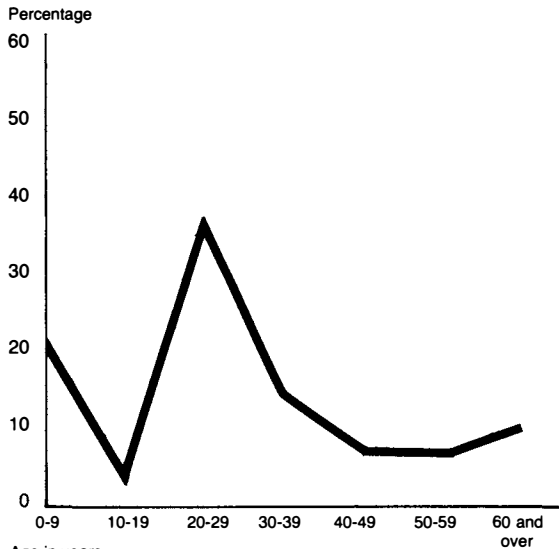
ities begin.

“This is shades of the Japanese-American experience of World War II,” and “could have a horrible, chilling effect” on the rights of Arab-Americans, charged Albert Mokhiber, president of the American-Arab Anti-Discrimination Committee. Rep. Don Edwards (D-Calif.), a former FBI agent who chairs the House Judiciary Subcommittee on Civil and Constitutional Rights, cautioned, “Inherent in the current crisis is the very real danger of damage to civil liberties.”

A coalition of groups—including the Japanese-American Citizens League, the Arab-American Anti-Discrimination Committee, the American Civil Liberties Union, and Washington Area Jews for Palestinian Peace—also warns that World War II-style internment camps are in preparation. According to the Jan. 12 *New York Times*, it was disclosed in 1987 that the FBI and the Immigration and Naturalization Service had drawn up a plan to quarantine Arab-Americans at a camp in Oakdale, Louisiana, in the event of war with certain Arab states.

## Correction

### Influenza and pneumonia deaths: percentage in each ten-year age group, Louisville, Kentucky, April 1918



(Derived from the Death Certificate files of the Board of Health of Louisville, Ky.)

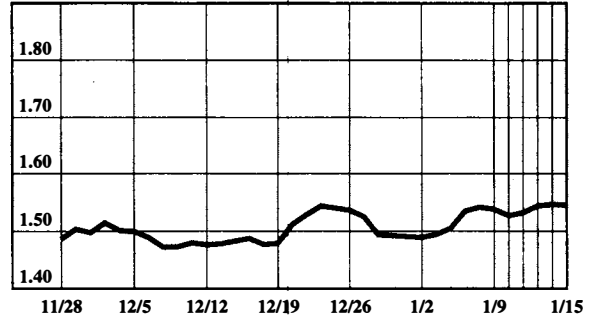
Source: *America's Forgotten Pandemic: The Influenza of 1918*.

The graph accompanying the book review on *America's Forgotten Pandemic, The Influenza of 1918* on p. 13 of last week's issue was incorrect. The correct graph, which we reproduce from the book here, shows the apparently anomalous rise in deaths from influenza in the 20-30 age group, rather than populations that would seem to be most at risk—the very young and very old.

## Currency Rates

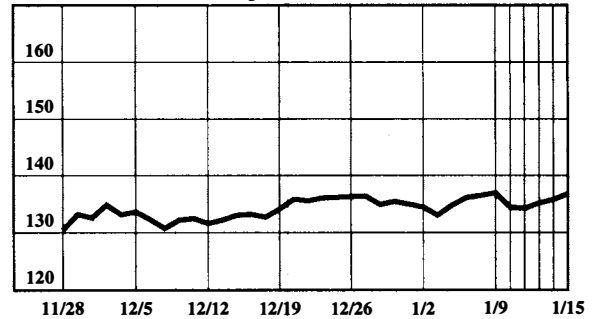
### The dollar in deutschemarks

New York late afternoon fixing



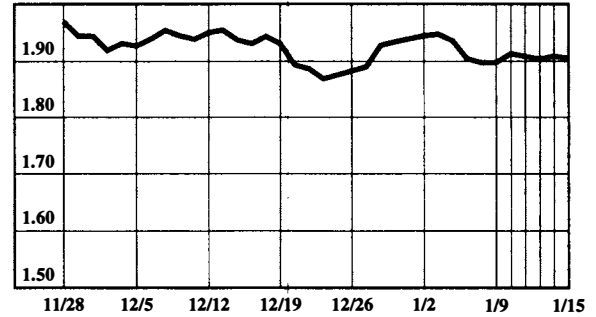
### The dollar in yen

New York late afternoon fixing



### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing

