

Bush Administration Already Coming Apart at the Seams

by Jeffrey Steinberg

While much of the world contemplates with horror, the consequences of the Bush Administration proceeding, unilaterally, with the National Missile Defense provocation, inside Washington, the Administration's war hawks got doused with a bucket of cold water, in the form of threats of a freeze on any new military spending. The recent announcement by White House spokesman Ari Fleischer, that President George W. Bush is imposing a two-year curb on any expansion in the defense budget, purportedly caught Defense Secretary Donald Rumsfeld by surprise—as he was about to leave for Munich, Germany, to address the annual international Wehrkunde defense policy meeting on Feb. 2-4.

While the issue remains unsettled, the incident underscores the accuracy of Lyndon LaRouche's assessment that the so-called "Bush coalition" would come apart at the seams very early, with the fanatical right-wing "Yahoos," who comprise a large part of "Dubya" Bush's social base and electoral coalition, demanding draconian tax cuts and other "anti-big government" measures, that would undermine some of the

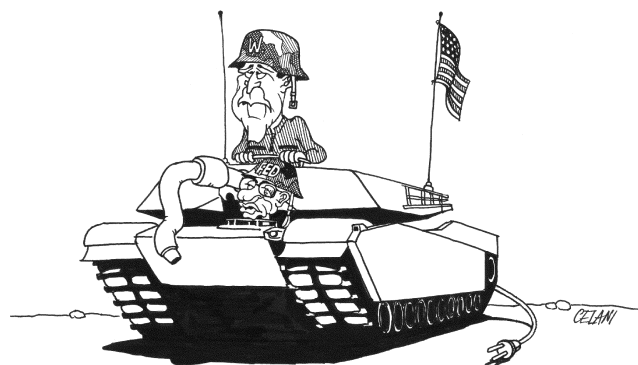
pet programs of such senior Cabinet officials as Rumsfeld and Secretary of State Colin Powell.

The Cave-In on Ashcroft

When Senate Democrats caved in and confirmed John Ashcroft as Attorney General—despite the fact that they had sufficient votes to kill the nomination via filibuster—the "Yahoo" faction inside the Bush Administration won an important advantage. The first casualty of that "Yahoo" victory was Rumsfeld's much-heralded plans for a defense buildup.

Part of the story of the defense budget crash landing was spelled out in the *Washington Post* on Feb. 7. A news article reported that, the day before, Rumsfeld had met with top Pentagon brass and informed them that all plans for a military buildup were to be shelved for at least two years—despite the fact that, on the campaign trail, both Bush and Vice President Dick Cheney had skewered Al Gore for presiding, along with President Clinton, over a take-down of American military readiness. Pentagon officials and national security planners, buoyed by the Bush-Cheney campaign rhetoric, had set their sights on a \$50-90 billion boost in defense spending for fiscal year 2001, and began dreaming about Pentagon increases paralleling the fabled spending spree of the 1980s Reagan era—complete with their own Rube Goldberg fractured version of Reagan's Strategic Defense Initiative. Now, suddenly, it was largely down the drain.

In an accompanying commentary in the Feb. 7 *Washington Post*, Carnegie Endowment for International Peace analyst Robert Kagan filled out the picture. "If the European leaders who met with Donald Rumsfeld last week had peeked under the table," he wrote, "they would have seen a Secretary of Defense whose legs had just been cut out from under him." He continued, "The day before Rumsfeld set off for Munich to urge allies to increase their defense spending, Ari Fleischer announced that the Bush Administration would seek no in-





Secretary of Defense Donald Rumsfeld (right) shakes hands with British Defense Secretary Geoffrey Hoon, at a meeting during the Wehrkunde conference in Munich on Feb. 3.

crease in U.S. defense spending—not this year, and not in next year’s budget either. . . . A well-placed Administration official says Rumsfeld ‘didn’t know this was coming.’ ”

Kagan then got down to the nitty gritty: “Obviously, Bush and his political advisers have decided to throw defense overboard in order to sell their tax-cut plan this year. Fleischer’s spin-art explanation, that the Bush Administration needs to complete a full-scale strategic review before seeking any increases, is absurd.” Kagan concluded by noting that, ironically, no viable National Missile Defense system is possible without serious investment in R&D.

What Kagan neglected to note, in his otherwise accurate account of the behind-the-scenes war inside Bush-land, was that the Administration, in another even more fundamental blow to any kind of defense buildup and NMD deployment, had failed to intervene to solve the energy price crisis, particularly in the Western states of the United States. This failure to abandon the insanity of deregulation threatens to gut the major defense industries, and wipe out what remains of the computer high-tech sector in California’s Silicon Valley, which is already reeling from last year’s crash of the Nasdaq high-tech stock index.

Again, it was “Yahoo” ideology and the greed of Bush’s backers in the deregulated energy industry, that prevailed over reality, and made an even bigger joke out of the so-called Bush military buildup. The Bush decision to please his financial angels at Enron, at the expense of the California economy, has set the stage for an even bigger crisis in the immediate days and weeks ahead, with several major U.S. commercial banks, led by Bank of America and Wells Fargo, now facing collapse if the California power utilities are driven, by Bush’s incompetence, into bankruptcy.

Federal Reserve Chairman Alan Greenspan’s babbling

performance at Senate Banking Committee hearings on Feb. 13 further underscored the looming crack-up of the U.S. physical economy and the banking system. Two days earlier, former Treasury Secretary Robert Rubin, now a top official at Citicorp, penned a Sunday *New York Times* commentary, in which he warned that the planned Bush \$1.6 trillion tax cut would blow out the greatly exaggerated Federal government budget surplus, and jeopardize the so-called American economic “boom.” “Boom” silliness aside, Rubin’s public surfacing further reflected the growing fear on Wall Street that the insane policies of the Bush Administration will accelerate the crash.

Moves and Counter-Moves

Several days after Kagan’s exposé on the White House decision to prioritize deep tax cuts over military spending, the defense lobby on Capitol Hill was mobilized by Rumsfeld and the military brass. In separate letters to President Bush, Senate Armed Services Committee Chairman John Warner (R-Va.) and committee member Sen. Joe Lieberman (D-Conn.) demanded that the planned freeze be reconsidered, because of pressing national security needs. Warner confidently told reporters that a supplemental defense budget, with substantial increases, would be adopted by the White House “in a matter of weeks.”

Indeed, the White House did backtrack, announcing that the Pentagon would conduct a “top-to-bottom” review before making any final decision on spending for new programs. The man placed in charge of that review was Andrew Marshall, a RAND Corp. founder and Defense Department mandarin, who has run the Pentagon Office of Net Assessments since 1975. Ironically, as *EIR* first reported in 1988, following the arrest of Israeli-Soviet spy Jonathan Jay Pollard, Marshall’s

name appeared on a short list of suspected Pollard collaborators, who stole the crown jewels of American national security and passed them, via Tel Aviv, on to Moscow. The so-called “X Committee” of Israeli-Soviet spies was never rooted out. Indeed, some of the leading suspects on the list prepared by then-Secretary of Defense Caspar Weinberger’s general counsel, have now made their way back into the Bush national security apparatus!

The Knuckle-Dragers Join the Bush Team

While the “Establishment” grouping within the Bush Administration—represented by Rumsfeld, Cheney, and Treasury Secretary Paul O’Neill (the former chairman and CEO of Alcoa)—was taking its licks over the defense budget cuts, another nasty element was being added to the Bush II equation. Several senior posts at the Defense Department and the State Department were filled by veterans of the Reagan-Bush era “X Committee” and Iran-Contra “secret team.” The emergence of this corrupt, killer apparatus in senior management posts at the State and Defense Departments will further tilt the Bush Administration toward the Ashcroft “Yahooks,” who share these knuckle-draggers’ fanatical commitment to Israel, particularly the Israel of right-wing warhawk Gen. Ariel Sharon, the incoming Prime Minister.

In the span of one week, President Bush announced the appointments of Paul Wolfowitz as Deputy Secretary of Defense, Richard Armitage as Deputy Secretary of State, and Dov Zakheim as Under Secretary of Defense/Comptroller.

In February 1998, Wolfowitz, Armitage, and Zakheim were all signators on a letter to President Clinton, demanding the launching of a covert military operation, modelled on the “Contra” operations against the Sandinista regime in Nicaragua in the 1980s, to overthrow Iraqi President Saddam Hussein. With Armitage due to run the day-to-day business of the State Department, and Wolfowitz set to handle the same duties at the Pentagon, there is no doubt that such an Iraqi “Contra” fiasco, and similar covert wars, are back on the agenda—regardless of whether the United States has a defense-industrial sector or not.

Armitage made this secret war policy, particularly toward Iraq, clear, at a recent meeting of the New York Council on Foreign Relations, in which he discussed the Bush foreign policy agenda. “I personally have no doubt that early on in the Bush Administration, the President will be challenged by Saddam Hussein in one manner or another. And this may offer an opportunity to resolve the questions of WMD [weapons of mass destruction] capability in Iraq,” he said. In an interview with the *Washington Post*, he cited Saddam’s flouting of UN resolutions, concluding, “many people have come to the view that perhaps eviction is in order.”

Armitage painted an even more graphic picture of what to expect from the Bush national security team, when he described himself at another forum on Bush policy: “I’m the guy with the blood, the mud, and the beer.”

‘Get Clinton’ Chieftain Named to Ashcroft DOJ

by Edward Spannaus

Following weeks of leaks in the news media, President George W. Bush nominated Theodore Olson, the man who ran the “Get Clinton” campaign from behind the scenes for the past eight years, for the position of U.S. Solicitor General. Olson came into the public eye as Bush’s chief lawyer before the U.S. Supreme Court in the Florida election case, where Olson argued in front of his cronies, Justices Antonin Scalia and Clarence Thomas, and Chief Justice William Rehnquist.

But, since 1993, for almost the entire period of Bill Clinton’s Presidency, Olson dispensed more than \$2 million of Richard Mellon Scaife’s money to bring down Clinton; it was Olson, as the lawyer for the *American Spectator*, who set up the so-called “Arkansas Project” to dig up dirt and witnesses against Clinton starting in late 1993.

The project resulted in numerous anti-Clinton articles in the *American Spectator* and the *Wall Street Journal*, and produced David Hale as the key witness against Clinton in the fraudulent “Whitewater” investigation. Already by November-December 1993, Olson was in contact with Hale, and had become his attorney. “Olson is somebody who Scaife would trust to see that nothing went wrong and that his money would not be wasted,” a source told *Salon* magazine in 1998.

Olson and Starr go back together to the 1970s, when they were partners in the Los Angeles law firm Gibson, Dunn & Crutcher; and they entered the Justice Department together at the beginning of the Reagan Administration. Both are also activists in the mis-named Federalist Society, founded in 1982 under the direction of Scalia.

Given that Olson was involved in orchestrating the Arkansas Whitewater scandals against Clinton *before* Starr was appointed Whitewater independent counsel, it is likely that Olson secretly played an instrumental role in arranging Starr’s appointment.

Olson and his wife Barbara (who wrote a vile book-length screed against Hillary Clinton) hosted regular Friday night meetings of the “Get Clinton” legal and journalist crowd at their Great Falls, Virginia home, which reportedly sometimes included Starr, their mutual friend Robert Bork, the *Wall Street Journal*’s Robert Bartley, and the *American Spectator*’s Emmett Tyrrell.

On Feb. 14, Bush also nominated Larry D. Thompson, a former U.S. Attorney in Atlanta, as Chief Deputy to Attorney General John Ashcroft. The nomination of Thompson, an African-American, is apparently intended to blunt some of