

GOP 'Red Guard' pushes showdown with Clinton

by Jeffrey Steinberg

On Aug. 7, 1990, at an executive session of Newt Gingrich's political action committee, GOPAC, longtime Republican National Committee strategist and Gingrich promoter Eddie Mahe insisted to the assembled loyalists that Mao Zedong's *Little Red Book* on guerrilla warfare was mandatory reading for anyone committed to "the revolution." Mahe was not referring to the ecology revolution, or even the Reagan Revolution. He was referring to GOPAC's own insurgent campaign to pack the U.S. Congress with a hand-picked band of mean-spirited free-market fanatics, indoctrinated by the Mont Pelerin Society, and committed to dismantling the U.S. federal government piece by piece.

Five years later, the U.S. Congress and the entire federal government are, indeed, being held hostage to a band of Conservative Revolution Jacobins, dominated by GOPAC "farm team" trainees, which even the international media have recently dubbed the "Red Guard."

On Jan. 5, 1996, the German daily *Frankfurter Allgemeine Zeitung*, in a series of articles about the U.S. budget fight, described the 73 Republican freshmen members of Congress, who have been leading the confrontation with President Clinton that already produced two federal government shutdowns, as the "Red Guard."

It is a chilling metaphor. From 1964-76, Mao unleashed the Red Guards, paramilitary bands of armed young fanatics, brainwashed by the *Little Red Book*, to brutally eliminate China's intelligentsia and all but eradicate the country's industrial and scientific capacities. Before the so-called Cultural Revolution was over, more than 10 million Chinese had been executed.

If today's breed of GOP congressional "Red Guard" has its way, the death toll will be even higher from Newt Gingrich's "Cultural Revolution."

These GOP extremists, the *Frankfurter Allgemeine* noted, are more loyal to the agenda of taking down the federal government, than they are even to their self-anointed "Chairman," Gingrich. The GOP Red Guard long ago wrote off Senate Majority Leader Robert Dole (R-Kan.), and instead, looks to Rep. Dick Armey (R-Tex.), a rabid Mont Pelerin Society ideologue, who described the 1994 congressional Republican victory as "a paradigm-shattering revolution," as their true ideological guru, according to the Frankfurt paper.

These Red Guard Republicans are in a showdown with the Clinton administration, ostensibly, over the details of a seven-year balanced budget plan. But, after over 50 hours of negotiations between the President and the leadership of both Houses of Congress, it has finally sunk in to White House strategists that the real issue on the table is not a balanced budget in seven years—or seven decades. The real issue is the very future of the United States as a Constitutional republic, which the Mont Pelerin Society is committed to bringing to an end before the dawn of the 21st century.

Mont Pelerin ideologues like Grover Norquist, and British-sponsored think-tanks like the Heritage Foundation, the Reason Foundation, and the Cato Institute, have assembled long lists of federal programs they have slated for early extinction, including the Tennessee Valley Authority (TVA), Rural Electrification, the Export-Import Bank, the U.S. Postal Service, the U.S. Department of Commerce, and Amtrak. Even such science-drivers as NASA are on the chopping block.

Among the Conservative Revolutionists, there is a "take no prisoners" mood. The reason: Come the November 1996 general elections, the Republican majority could be swept from office. Therefore, between now and the autumn, a hard-core group of GOP legislators is committed to doing the

maximum damage—permanent damage—to the powers of the federal government. Two years ago, shortly after the November 1994 GOP congressional victories, Norquist boasted to a reporter that “once these targeted programs are dismantled, it would take 30 years to re-create them.”

Even when it comes to the issue of longstanding federal entitlement programs, such as Medicare and Medicaid, the not-so-hidden agenda of the Red Guard Republicans is the elimination of the role of the federal government altogether. The consequence, were President Clinton to cave in: a massive decline in the standard of living for America’s most vulnerable citizens—the elderly, the disabled, the poor, and the nation’s youth.

Clinton’s position

After weeks of behind-closed-doors negotiations, which came to a temporary halt on Jan. 9, the Clinton administration decided that the underlying issues in the budget battle had to be taken directly to the American public.

In an hour-long White House press conference on Jan. 11, 1996, President Clinton reiterated that a balanced budget deal could be struck “in 15 minutes,” based on the lengthy negotiations that have already taken place. The problem lies elsewhere, the President explained. “We all know that there are two strains at work in the Republican effort. There is the genuine desire to balance the budget, which I share. But there are those who want to use the balanced budget and a huge tax cut crammed within the balanced budget to strip our national government and our country of our ability to do our part here in Washington to help people out in our communities with the challenges they face.” The President concluded: “We shouldn’t let our fundamental agreement on a balanced budget be held hostage to a narrower agenda.”

The following day, at a rally of union workers in Nashville, Tennessee, President Clinton was even more explicit: “In life, you do what you can today and you put off the rest until tomorrow. Let us take what we can agree on and balance the budget while we protect Medicare and Medicaid and education and the environment and give modest tax relief. Let us be honest with the American people about what we disagree on, and let the American people make their decision in November.”

A new hostage threat

Putting the issue before the American public is exactly what the GOP Red Guard does not wish to do. Instead, they have launched a new tactic aimed at blackmailing the President into caving in on some of the irreconcilable policy differences. Beginning in early January, Reps. Gerald Solomon (R-N.Y.) and Christopher Cox (R-Calif.) began threatening to seek impeachment of Treasury Secretary Robert Rubin, if he tries once again to avert a federal government default when the Treasury reaches the debt ceiling sometime in mid-February. Last December, when the idea of forcing

a federal default was first floated, White House Chief of Staff Leon Panetta and First Lady Hillary Clinton both characterized the move as an “act of terrorism” directed against the President of the United States.

In fact, for months, since the very beginning of the balanced budget fight, the Red Guard Republicans have been pushing for a default. Wall Street speculator George Soros has been leading a lobbying effort to hold GOP feet to the fire on the issue of throwing the United States into bankruptcy; several Wall Street sources say that Soros is planning to make a personal killing on the Treasury bond market, if he can drive the United States into default. In September 1993, Soros made over \$1 billion in net profit in 48 hours, from speculating on the British pound sterling, and at the time there were widespread reports that Soros’s investment acumen was based on inside intelligence. Soros Fund manager Stanley Druckenmiller has been pounding the pavement on Capitol Hill, pushing Speaker Gingrich, House Budget Committee chairman John Kasich (R-Ohio), and other Red Guardsmen to force the U.S. government into bankruptcy.

Recently, three “Bush League” former Treasury secretaries—Donald Regan, James Baker III, and Nicholas Brady—all wrote to Rubin warning him that he was possibly committing a federal crime by keeping the government from going into default!

In his Jan. 11 press conference, President Clinton came out strongly backing Secretary Rubin. “I think it would be wrong, and almost inconceivable, for the United States to default on its debt. It was bad enough to shut the government down. It was harmful to the American people and to the good people who work for the federal government. That was wrong as part of some sort of strategy and this would be wrong. We have never refused to pay our debts. We are a great nation and I don’t believe we’ll do that.”

The next day, the *Washington Post* came out in a strongly worded editorial, backing Rubin’s efforts to avert default. “His sin is that he is doing what a Treasury secretary ought to do: trying to avert a threatened default. The threat exists because these same Republicans [who are talking of impeaching Rubin] are grandstanding on the debt ceiling issue. . . . It’s dangerous and wrong to use the debt ceiling as a political prop in the budget battle. They ought to cut it out.”

The *Post*’s editorial concern may be driven by more than an altruistic attitude toward the Clinton administration. A U.S. government default would send Treasury bond interest rates skyrocketing (they temporarily jumped, simply on the news of the breakdown of the budget talks), and this could, in the view of some Washington analysts, trigger the global financial blowout that Lyndon LaRouche has been forecasting.

For some of the London-backed Red Guardsmen, that could be precisely the kind of “doomsday” crisis they hope to use to bludgeon President Clinton into submission. Whatever the outcome, this battle is not about “balanced budgets.”