

Kissinger faction pushes 'guns-not-butter' policy

by Graham Lowry, U.S. Editor

It is the assessment of *EIR* founder Lyndon LaRouche, advisory committee chairman of the National Democratic Policy Committee, that the United States is currently heading towards a brutal transformation into a Nazi-like war economy, closely modeled on the plans carried out by Nazi Minister Hermann Goering during the 1936-38 period in Germany. Under the current strategic and economic policies being imposed on the United States by financial interests in London and Switzerland, the period from this spring to summer in the United States will resemble that Goering-style militarization of the economy, unless the present momentum of monetary dictatorship over the United States is reversed.

This analysis will be extensively elaborated by Mr. LaRouche in a set of presentations Feb. 17 and 18 at an *EIR* conference in Washington, D.C. In a recent preview of those addresses, LaRouche emphasized that a global strategic shift is under way, in which British, Swiss, and Venetian strategists seek to pit an autarchic "Fortress America" against an increasingly military-directed "Fortress Soviet Union," in a crisis-management scenario which could end in World War III. The scenario includes plans to dump Ronald Reagan, replacing his presidency with an "emergency government" to oversee Nazi-style austerity and the full militarization of the economy, and reducing the United States to a colony of the same financial forces that put Adolf Hitler into power.

LaRouche's strategic assessment is underscored by developments intended to create the preconditions for putting the United States on a "guns-not-butter" footing, through crises internationally and an economic collapse resulting from the battering of the industrial sectors of the economy with Federal Reserve chairman Paul Volcker's continuing high interest rate policy. The European oligarchy is deploying its assets in the United States to orchestrate crises in the Middle East, the Mediterranean, Central America and the Caribbean—to build the climate for wielding domestic emergency powers and imposing a militarized "Fortress America" austerity regime.

A coordinating role for that effort has been assigned to Henry Kissinger and his associates at the Georgetown Center for Strategic Studies (CSIS) and in the Committee for the Free World (CFW). Kissinger himself, who currently works out of CSIS, began sounding the alarm of America's "deteriorating" strategic position last month in a series of op-eds in the *New York Times* and in a keynote address to a CFW conference in Washington, insisting that the Reagan administration adopt a tougher confrontationist policy toward the Soviet Union.

With the Reagan administration's endorsement of a future military buildup, coupled with further domestic austerity in its 1983 budget proposals, the stage has been set for the Goering-style subjugation of the United States. In a lead editorial Feb. 7, the *New York Times*

openly put forth the “guns-not-butter” policy, arguing that the administration could have its proposed arms buildup if it implemented massive cuts in social programs.

But beyond the budgetary side of this policy, as LaRouche has emphasized, Fed chairman Volcker’s interest rates will be used to further gut the civilian economy and channel remaining credit and physical resources into military spending. A staff specialist linked to Republican leaders on the Joint Economic Committee commented recently that as long as real interest rates stay high, another \$100-\$150 billion can be “freed up”—drained away from consumer sectors (primarily housing and auto production) and redeployed into the defense sector.

“We’re already moving the resources,” the JEC source said. “The high interest rates have guided the restructuring, and much of it has already been accomplished.” He added, however, that interest rates “have to stay high to ensure the success of the defense-capital spending buildup.”

Precisely that policy is embedded in President Reagan’s budget message to Congress, released this month with his spending proposals for 1983, stating that “interest rates over the next several years will fall less rapidly than we had originally anticipated” and projecting continuing high interest levels until at least 1986. At the same time, Secretary of Defense Caspar Weinberger has submitted to Congress a plan to spend over \$1.6 trillion during fiscal years 1983-87. While high interest rates will continue to bankrupt the consumer-durable and other sectors of the economy, sustained defense outlays will complete the transformation to a militarized economy, with only those industries eligible for significant defense contracts surviving.

A report issued this month by the Northeast-Midwest Congressional Coalition, a predominantly liberal Democratic grouping in the House, projects that just such a military restructuring of the economy, absorbing the remains of the civilian economy and its skilled labor force, will result from the Reagan administration’s fiscal policies. The coalition’s report adds that a defense-dominated economy won’t work without the proper “labor policy,” as designed by MIT economist and policy adviser to the liberal Democratic leadership, Lester Thurow, an advocate of “incomes policy” austerity and wage-gouging.

In preparation for “Fortress America,” LaRouche has pointed out, wage-price controls are on the drawing boards, to drive down real wages and begin a new phase in the downward recycling of the labor force. The trade unions are slated for destruction within this process, already being advanced by the coalition of Malthusian liberals and financial operatives in the Democratic Par-

ty’s National Committee, and by AFL-CIO President Lane Kirkland of the Trilateral Commission.

The military buildup sought by these born-again Goerings is not an overall upgrading of industrially and technologically based defense capabilities, LaRouche warns, but “cheap weapons, stamped-out junk, and electronic gadgetry.” Moreover, the capital to be drained off into military spending will not even benefit the arms producers themselves. Only the British, Swiss, and Venetian financiers stand to gain.

Haig’s role

In shaping the political climate for “Fortress America,” Kissinger’s former underling, Secretary of State Alexander Haig, is stepping up his confrontationist antics in foreign policy, both to generate the crises to be used as triggers for militarizing the economy, and to force a break with America’s European allies which will also feed a “go-it-alone” mentality in the United States.

In a Feb. 8 interview, Haig raised the prospect of direct U.S. military intervention in the Central American crisis, declaring that region far more vital to U.S. strategic interests than Vietnam was. The next day, pursuing the track laid down by Kissinger at last month’s Committee for the Free World conference, Haig announced at the Madrid conference on European security and cooperation that the United States would not conclude any agreement with the Soviet bloc “while the foundation for that structure is being undermined in Poland.”

Haig followed up on Feb. 10 with a move aimed both at the Soviets and at West German Chancellor Helmut Schmidt’s policy of detente and economic cooperation with the Soviet Union, when he issued a denunciation of the huge Siberian-West German natural-gas pipeline project, which Kissinger earlier demanded be stopped.

The European oligarchy is also fueling an independent “third way” role for Europe, with the aim of crisis-managing the intensifying conflict between the United States and the Soviet Union. In a near re-run of earlier furor over implications that the United States accepts the notion of limiting a war with the Soviets to European soil, the European press is currently howling over President Reagan’s approval Feb. 8 of Weinberger’s plan to resume large-scale production of chemical warfare weapons.

The rationale that chemical warfare provides yet another option short of nuclear weapons for escalation from conventional conflict, is being read in Europe as another “limited warfare” variant to be used in the European theater. That perception is intended to feed European inclinations to distance themselves further from a strategic partnership with the United States.