Don Regan, Baker push U.S. economic downfall

by Warren J. Hamerman

Overt and covert operations are unfolding in Washington to determine the policy orientation of the United States at the April 15-16 International Monetary Fund (IMF) Interim Committee meeting in the U.S. capital, and the economic summit of the seven leading industrialized nations in Bonn, West Germany on May 2-5. Within this context the combination of Don Regan, James Baker III, and Paul Volcker is sharply exacerbating the Achilles Heel of the Reagan administration on basic economic policy—the manic delusion that under so-called Free Trade policies, the U.S. economy has bounced back with a flourishing recovery, when in fact the collapse of the real economy has become a grave danger to national security.

In order to torpedo the President's Strategic Defense Initiative and War on Drugs, the Soviets, Swiss and their European oligarchic allies hope to lure the Reagan administration at the April-May events into surrendering U.S. national sovereign control over monetary and economic policy to the IMF and related supranational institutions.

Despite the West European tour of Defense Secretary Weinberger and Lt.-Gen. James Abrahamson, affirming the alliance-wide nature of the Strategic Defense Initiative (SDI), Treasury Secretary James Baker III and White House Chief of Staff Donald Regan are running economic policy, and have made pronouncements which would pulverize the entire SDI program. Regan and Baker announced that they were "open" to proposals for greater international controls over the U.S. economy.

Regan, formerly of Merrill Lynch, which has been named as one of the institutions under investigation for drug-related dirty money laundering practices, was quoted in the *Washington Post* of March 26. Regan expressed "interest" in proposals for convoking a "Bretton Woods II" conference "to try to evolve a system to bring major currencies closer together." Volcker and Baker have proposed to set up a "small committee" inside the IMF at their April 15-17 meeting to issue regular "report cards" on the U.S. economy with policy dictates.

Even as it became known that the Ohio savings and loan institution banking crisis was spreading to banks in Maryland, Massachusetts, Texas, Oklahoma, and California (*Banking*, page 22), Don Regan, Baker III, and company had President Reagan launch a Madison Avenue campaign "talking up" the so-called recovery. The President stated that other countries should fix their weak currencies by having a "recovery," too. The Reagan statement was based upon an absurd and lying U.S. Treasury report to Congress praising the high dollar because it forces the Third World to pay its debts via the IMF "adjustment process." The report targets Japan as the real culprit, which caused the whole problem by "manipulation" of the yen!

We do not believe that Reagan is as stupid as Herbert Hoover, or as stupid and immoral as the "Jimmy Carter of the 1920s," Calvin Coolidge. The prime mover behind the policies emanating from the White House is Donald Regan.

Cui bono?

Regan has mounted to the top of the President's economic advisers by taking credit for having "managed" the debt crisis of 1982 without a blowout of the monetary system, when he was U.S. treasury secretary. From this position, he is the major promoter of the "recovery" myth, and pushing defense budget cuts to "protect" the mythical recovery. Regan admitted on NBC-TV's "Meet the Press" on March 24, that there are "many areas" where the defense budget ought to be cut, and "to get programs through, we're eventually going to have to compromise." "There are many things where you can stretch out what your buildup is," said Don Regan, citing "munitions, food, and oil." A senior White House aide said that Regan's statements, just before the House of Representatives approved the MX vote, showed a "new willingness to look at suggestions of compromise" with Congress on the defense budget.

As for the President himself, he doesn't want to hear anything else but "recovery" propaganda. At a White House breakfast, the President said: "If there was a sudden—you might say, collapse—of the dollar, I think it could be very harmful in leading the world to believe that we are all in greater economic trouble than we are."

A few days later Don Regan stage-managed a pathetic gimmick at the New York Stock Exchange. With White House Chief of Staff Regan guiding his every move, the President was brought to the floor of the Stock Exchange to make some remarks at a ceremony culminating in his ringing the bell to start the trading day. His prepared remarks were a direct adoption of the Treasury Department policy of attacking the Japanese for fueling the record $123 billion trade deficit. As has been widely reported, the President promoted the Don Regan-Baker III-Volcker hoax that America was experiencing a so-called recovery.

Protecting the dope lobby

Who is Donald Regan?

Regan was formerly the head of Merrill Lynch, the Wall Street investment company which took over the U.S. branch of White Weld when it was reorganized in 1978. White Weld is at the center of the drug money-laundering network associated with the notorious Crédit Suisse. Crédit Suisse and Merrill Lynch in effect divided the spoils in that Crédit Suisse took over the European division of White Weld Securities, while Merrill Lynch simply incorporated the New York White Weld Investment House and renamed it Merrill Lynch Capital Markets Group.

In short, Chief of Staff Regan is a "business partner" of the black economy kingpins in Switzerland. This explains why he would commit himself to backing the Swiss and IMF policies which in every way are against the interests of the United States. Crédit Suisse is the dirty Swiss bank which was the main target of "Operation Greenback," when the Miami branch of Crédit Suisse offered its good offices to organized crime kingpins such as Robert Vesco and Bernie Cornfeld in the 1960s.

James Baker III's family in Texas is a direct banking partner to the Swiss-French Schlumberger financier interests. The Schlumbergers are supporters of terrorist groups and notorious for backing sordid operations in the Swiss-centered international black economy.

Baker is also a longstanding friend of former Democratic Party chairman Robert Strauss, of the organized crime-linked section of the Democratic Party. Robert Strauss led the coverup of the Libyan "Billygate" scandal centering on Charter Oil and Marathon Oil companies.

Thus, both current Chief of Staff and former Treasury Secretary Regan, and current Treasury Secretary and former Chief of Staff Baker III, have vested interests in promoting the Swiss "boom" in speculative money deals at the expense of real output in basic industry and agriculture.

Prelude to the Bonn summit

From March 28-31, at the Adolphus Hotel in Dallas, there was a four-day conference of the American Council on Germany and the Atlantic Bridge which West German sources characterized as a policy prelude to the Bonn summit. Among the participants were: James Baker III, Paul Volcker, Richard Burt, Lawrence Eagleburger, Martin Bangemann (Mr. "ECU"), Horst Ehmke, Karsten Vogt, Otto Pöhl, Manfred Wörner, Genscher, and Karl Kaiser. The conference was designed as more or less a test run for the Bonn Economic Summit, with panels on "Political Relations between East and West"; "The SDI: Implications for the Alliance"; and "National Economies and International Consequences." The principal topics of discussion included: American-German relations, military questions, security issues, East-West relations, and arms control.

Following the Dallas meeting, Bangemann, Wörner, and Warnke were scheduled to be in Washington during the March 31-April 4 period. According to one German journalist: "Don't look for them to be the ones to push this ECU question. That will be the job of Pöhl and Stoltenberg, when they come for the IMF-World Bank meetings April 15-16. This dollar situation and these deficits can't last forever. IMF conditionalities would be best for the U.S., but will never happen."

The ECU, or European Currency Unit, is being aggressively promoted as a reserve currency to replace the U.S. dollar (page 10). At an early March meeting at the Basel, Switzerland Bank for International Settlements, the plan to transform the BIS, the private central bankers' central bank, into an international clearinghouse for ECU transactions was discussed.

The Soviets are directly trying to provoke the Europeans into a break from the dollar and orient their trade to the East as a way to politically neutralize the United States' ability to rebuild the Western Alliance through an economic mobilization around the Strategic Defense Initiative. The use of the BIS, the international bank which facilitated the financial operations of Hjalmar Schacht, Hitler's economics minister, is a full policy commitment of the old-line European oligarchic "families." Their intention is to "decouple" the economy of Western Europe from that of the United States, and orient around growing ties to the East in the coming period. Individuals such as Henry Kissinger, Willy Brandt, and Hans-Dietrich Genscher are the hands and feet for these objectives.

The overall policy course of the European oligarchy flows from a broader "New Yalta" deal between Moscow and the Western families to redesign the global spheres of influence. The Soviet intention is to parlay the Achilles Heel of the Reagan administration on economic policy to their own advantage, playing with the European families while forcing the United States into the sunset as a strategic power. This is the gameplan Volcker, Baker, and Regan are facilitating.