

Richard Nixon: a smart, but not a wise President

by Mel Klenetsky

Richard Milhous Nixon, the 37th President of the United States, died on April 22. His presidency has come to be known for ending the war in Vietnam, opening up diplomatic relations with China, détente with Moscow, the “shuttle diplomacy” policies of Henry Kissinger, and, of course, the Watergate scandal that led to his resignation on Aug. 9, 1974.

Almost 20 years after his resignation, the former President continued to show a keen interest in international affairs, as demonstrated by his trip to Moscow in March of this year. Nixon had a resiliency, a keen intellect, and some genuine insight into Russian-American affairs; but he never came to understand the larger British geopolitical game which has dominated politics since the 1963 Kennedy assassination, has destroyed both the United States and Russia as superpowers, and which threatens the world today with global conflaguration. Nixon played ball with these gamemasters, and never really understood why they acted to dump him on the political garbage-heap in 1974.

Insights into IMF destruction of Russia

To his credit, Nixon was among the first establishment political figures to criticize the shock therapy policies of the International Monetary Fund (IMF) toward Russia. More than one year ago, in a March 5 *New York Times* commentary, Nixon wrote that Russia was going through an economic downturn worse than the Great Depression of the 1930s in the United States. Almost seven months before Yeltsin turned his artillery on the Russian Parliament, Nixon gave warning, describing the turmoil in Russia at that time, which included a 25% inflation rate, a 50% drop in living standards, and separatist and nationalist conflicts that threatened to tear the region apart.

Nixon had met with President Bill Clinton, and advised

him to call for an emergency meeting of the Group of Seven nations to recommend a 15-year rescheduling of the \$84 billion debt that Yeltsin had inherited from Gorbachov. He called for increasing aid to Russia, and went after the IMF: “We should demand that the bureaucrats running the International Monetary Fund not treat Russia like a Third World country.” The Group of Seven did in fact meet; but the Russian debt was not rescheduled, and the IMF approach prevailed.

Later in 1993, after Yeltsin had disbanded the Parliament, Clinton’s special deputy on Russian matters, Strobe Talbott, now the deputy secretary of state, called for “less shock and more therapy.” According to Nixon’s chief of staff, the former President, along with Sen. Bob Dole (R-Kan.), considered himself to be in bi-partisan support of the Clinton’s administration efforts to end IMF shock therapy and conditionalities. Nixon traveled to Moscow in March of this year on a fact-finding mission to speak with broader political layers, beyond Yeltsin, such as Rutskoi, the former Russian vice president, who had been just been released from prison where Yeltsin had put him for his role in the October so-called coup attempt.

It is not clear whether Nixon was aiming at some sort of “Marshall Plan” approach that would preserve Russia’s industrial capabilities. Yet his questioning of IMF policy caused great consternation among the same London financial crowd which dumped Nixon, and which would now like to do the same thing to the Clinton presidency.

Watergate in perspective

The British-inspired assault on the U.S. presidency goes back to the 1963 assassination of President John F. Kennedy. As the Kennedy space program was dismantled, the U.S. economy underwent a radical restructuring; under the guise

of “post-industrialism,” the United States was transformed from an industrial and agricultural superpower into a financial, speculative power caught up in real estate, currency, and commodities futures, and later in junk bonds and derivatives.

The 1969-74 Nixon administration presided over some of the most dramatic financial ratchet-steps in that process of collapse. The first big lurch came during the spring of 1970, with a serious stock market slump and the bankruptcy of Penn Central railway, which had been run into the ground through lack of investment into rail maintenance and rolling stock. Then, on Aug. 15, 1971, after a period of international monetary turmoil, Nixon “pulled the plug” on the U.S. dollar, unlinking its value from that of gold. As economist Lyndon LaRouche emphasized at the time, Nixon’s action spelled the end of the post-war Bretton Woods era of orderly monetary affairs and “built-in stabilizers,” and ushered in a new era characterized by one monetarist stopgap measure after another, each one worse and more dangerous than the preceding one, leading eventually to a full-scale depression collapse. As LaRouche wrote on Aug. 30, 1971 in the bi-weekly *New Solidarity* newspaper, “Although it is not impossible that a new Great Depression could be delayed for even months, provided a new set of parities is quickly rigged, Nixon’s chattering about a new period of prosperity is simply buncombe.”

Nixon did succeed in patching something together. In December 1971, the U.S. dollar was devalued by 11%, and in 1972 a “floating exchange rates” regimen was adopted at a monetary meeting in the Azores. But far from solving anything, this merely set the stage for the first round of massive speculation, centered in the ballooning “eurodollar” market.

Nixon also fulfilled another forecast made by LaRouche in same article, namely, that “Whether actual world depression can be postponed for a few months has little fundamental bearing on the situation as a whole. Only total regimentation along the lines of wartime or fascist regimes could postpone inevitable collapse for a significant period.” It was Nixon who launched the first big round of “belt-tightening” austerity. Trade unions were targeted for eventual extinction, using the growing ranks of the employed, who were to be “recycled” through slave-labor “workfare” schemes. Federal Reserve Chairman Arthur Burns, in a ludicrous attempt to clothe this austerity in patriotic garb, even recommended that every American contribute to the “cause” by going without meat one day each week.

Nixon’s approach was diametrically opposite to that being recommended by LaRouche, who in 1971 widely circulated a draft “Emergency Reconstruction Program.” Under the subtitle “How to Take Over an Economy in a Day,” LaRouche recommended “that the machinery of the U.S. Treasury and Federal Reserve System be used to assimilate all regional and local financial institutions into a single, nationalized national banking system,” and that there be a general recall and revaluation of all existing paper assets, which

would then be used as the basis for issuance of credit by the nationalized banking system.

London sends in Henry Kissinger

On strategic policy, Kennedy had defined a policy toward Russia that was based on American strength, offering joint ventures in space and other joint projects, but only from that position of strength. That all changed with Nixon’s secretary of state and national security adviser Henry Kissinger. Kissinger imposed a new policy, more conducive to the British position of weakening the U.S. as the dominant superpower. The 1972 Strategic Arms Limitations Treaty (SALT) was passed, limiting the use of defensive weapons known as anti-ballistic missiles. Thanks to SALT, during the following decade the Soviet Union caught up to the United States strategically, and even began to surpass it in certain areas, while the United States began to lose its industrial and military edge.

By the end of the decade, Nixon began to express doubts about SALT. In his 1980 book *The Real War*, he wrote that “We have been engaged in SALT for a decade and have practiced strategic arms restraint longer. . . . The benefits have not materialized. In fact, our strategic situation has steadily deteriorated.” In an implicit attack on Kissinger, he wrote, “We should never negotiate from weakness. No further arms control talks, for example, should be held until the United States has firmly in place a credible program for restoring the military balance, vis-à-vis the Soviets, across the board. Otherwise, the Soviet leaders will be looking down our throats.”

But while Nixon was belatedly ruminating about SALT, Lyndon LaRouche was already actively engaged in back-channel negotiations with the Soviet Union, aimed at junking the “disarmament” and establishing peace on the basis of a joint crash program for defensive weapons development. As LaRouche argued in his 1980 book *Why Revival of ‘SALT’ Won’t Stop War*, “Disarmament comes after peace, and only then.”

Why was Nixon watergated? Perhaps the answer can be best understood by comparing the stubborn Nixon with the successor fraudulently elected in 1976: Jimmy Carter, the pathetic puppet of David Rockefeller and Cyrus Vance’s Trilateral Commission. With Carter and his New Age White House zoo, the financial elites finally had a President they truly deserved.

It should also be recalled after Nixon resigned and Gerald Ford replaced him, none other than Nelson Rockefeller (affectionately known in certain circles as “Fang”) applied for Ford’s job—and got it. As an Aug. 10, 1974 press release by LaRouche’s U.S. Labor Party put it: “Nixon’s resignation, combined with Rockefeller’s dash for the vice presidency, has been widely viewed by the nation as powerful corroboration of our analysis of the Watergate conspiracy against the office of the presidency—as well as our analyses on related matters, especially the attempts by Rockefeller’s camp to impose liberal-fascist economic legislation upon the country.”