State Department driving Egypt and Israel into Soviet orbit?

by Muriel Mirak

The extent to which the U.S. State Department is cultivating Soviet interests directly against those of the United States and its allies emerged recently as visibly and boldly as crocuses in springtime. Those responsible for nurturing these "flowers of evil" number among the cohorts of Henry Kissinger, a man who, despite his pretenses to being "Jewish" and a mediator for a lasting Middle East peace, is exposing himself as strictly allied to Soviet and Syrian forces fast intent on taking over both key nations of the area—Egypt and Israel. To uproot Kissinger's insidious objectives and preserve these Western-leaning allies, urgent White House action is required.

Egypt and Israel are the two nations who benefit most from U.S. foreign aid, and for good reason. Together they enjoy 30% of all financial aid from this country. Currently, both nations' financial needs are being discussed in Washington, with Kissinger's State Department cronies in the forefront of a move designed to use upcoming aid packages as blackmail.

Debt-strapped, crisis-ridden Israel has been negotiating an aid package since Prime Minister Shamir's December trip to Washington, during which the broad outlines for a $2.6 billion grant were drawn up. This figure compares with a total $15.2 billion foreign aid budget projected by the Reagan administration for fiscal year 1985. Since then, the figure for Israel has been whittled down to $1.3 billion for military expenditures and $900 million for the civilian economy.

State Department demands 'belt-tightening'

During hearings held by the House Foreign Affairs Subcommittee on Europe and the Middle East, the State Department "experts" demanded that such aid be conditioned by a series of "belt-tightening measures," allegedly designed to help face Israel's burgeoning $22.5 billion foreign debt. In the words of the Deputy Assistant Secretary for Near Eastern Affairs Robert Pelletreau, "Israel is living beyond its means . . . [and] . . . is going to have to take difficult steps to meet the problems head on. Israeli government and private expenditure . . . is simply too high." Claiming that Israel's problem is that its consumption outstrips production in terms of real economic growth, instead of seeking out means to promote the latter, Kissinger's cronies prefer to cut the former. What this boils down to in the concrete is an across-the-board slashing of living standards, beginning with wages. Finance Minister Yigal Cohen-Orgad, in compliance with State Department and Treasury Department demands for an $800 million cut in Israel's budget, is promoting a revised cost of living escalator arrangement in Israel, whereby the 1984 average gross wage would be cut down to less than last year's, thus effecting a reduction in real wages down to the level of 1981-82. The overall aim earlier voiced by Kissinger ally Shultz is to reduce living standards by 9%.

The effects of such incompetent economics, the same austerity policies effected by Hitler's Finance Minister Hjalmar Schacht, will be an unraveling of the Israeli economy, currently being held together by a thread. In the absence of productive investments in basic industry and an upgrading of labor power through increased consumption, inflation will become unstoppable. On the social plane, such measures will have an immediate, devastating effect on employment, bringing the current 4.5% jobless rate to a full 7%. Socially, this means emigration. Clearly, if qualified Israeli workers cannot make ends meet in that country, they will leave. According to reports in the *Jerusalem Post,* Israeli officials have informed Washington of this danger, as well as of the potentially explosive effects increasing unemployment will have on social tensions boiling among the Sephardic community, most hard hit by the collapse.

Forced to turn to Russia?

What is not said in published accounts, but is an open secret in Jerusalem as well as Washington, is that if Israel is hit by emigration, there is only one place it can direct its gaze in hopes of attracting massive influxes of new immigrants: the Soviet Union. The question then arises: Is Henry Kissinger consciously setting Israel up to become dependant on the Russians for its domestic workforce? Is Kissinger consciously maneuvering to use the big stick of economic warfare against Israel so as to make the carrot of Jewish immigration from the U.S.S.R. an attractive bargaining chip in a deal over the Middle East?

The same question must be posed regarding Egypt. Egypt too is being discussed by State Department pundits, who allege that the military aid package of $1.1 billion for 1985 be reviewed, considering Egypt's being behind in recent debt repayment installments. Commenting on the visit of Egyptian Ministers of Economy and Industry who travelled to the United States in order to discuss aid conditions, the London *Times* stated outright, "The visit by the ministers seems ill-timed and ill-conceived since the Senate Foreign Relations Committee has repeatedly said it will not write Egypt a blank check." Does this mean that Egypt is about to get the "Israel treatment?"

Behind what appears to be bickering over finances lies a major political fight. President Mubarak has just completed a tour of Africa, visiting Zaire, Kenya, Tanzania, and Somalia, during which he strengthened the role of Egypt as the vanguard economic force for continental industrial development. Following the trip, Mubarak planned a trip to Washington, in order to attempt to revive the peace process in the Middle East. In order for a durable peace to be reached in the region, as Democratic presidential candidate Lyndon LaRouche has emphasized, the broad outlines of the "Reagan Plan" must be respected as a starting-point. According to reports, Mubarak's intention is indeed to capitalize on the positive developments towards dialogue among Egypt, Jordan, and the Palestine Liberation Organization (PLO), so as to bring Israel into negotiations. It should therefore be in the interests of the U.S. government to support Mubarak by all means possible, emphatically including economic aid. But such support Kissinger's State Department honchos would rather withold.

Passing up the opportunity offered by President Mubarak now would be tantamount to genocide, not only for the Middle East but also for Africa. And that is the deeper political issue involved. Egypt does not only represent the first dialogue partner in the Arab world for Israel, but constitutes the first nation in Africa whose economic potential, advanced labor power, and ambitious industrialization projects make it a natural partner for technology-rich and scientifically advanced Israel to take on the joint task of industrializing the entire African continent. It is, in fact, uniquely through the combined, programatically oriented collaboration of the industrial and human resources of these two nations that the Middle East and Africa can be developed, and that, consequently, a durable peace can be rooted in the mutual self-interest of reciprocal economic and cultural progress.

To date, among American politicians, Lyndon LaRouche has been the only one to articulate such a perspective. It should come as no surprise therefore that LaRouche's development policies are at the center of discussion among both Egyptian and Israeli elites. That is another leading reason why Henry Kissinger and his friends in Moscow have targeted Mr. LaRouche. It also explains why Kissinger's State Department cohorts are putting the squeeze on both Israel and Egypt.

Part II: New Era in U.S.-China Relations

Reagan dumps the

by Richard Cohen

For more than a decade before Ronald Reagan took office, U.S. Asia policy was dominated by the so-called China card—using the threat of a U.S. strategic opening to China to force Moscow to make arms-control and other deals with Washington, while Henry Kissinger was locking the United States into ever-widening strategic inferiority vis-à-vis the Soviet Union. The first article in this series outlined how Peking has junked the "China card" for its current commitment to economic modernization.

By the time of Ronald Reagan's inauguration in January 1981, the China card policy was in shambles, following the calamities that began with the late 1978 invasion of Kampuchea by Vietnam and the subsequent Sino-Vietnam border war. For both the United States and the People's Republic of China (P.R.C.), the effectiveness of "playing" the other nation as a political card had been called into question.

In 1980, with the relatively final consolidation of factions associated with Deng Xiao Ping in China, a long-term policy of border pacification and industrial-technological development was put into motion. This Chinese policy, along with the election of Ronald Reagan to the U.S. presidency in November 1980, essentially voided the possibility of reviving the China card. Reagan's election began a process of eschewing the "China card" as a strategic military policy for one based on U.S. national military strength.

The foundations of U.S.-Asia policy had been shattered by the time of Reagan's election. The Johnson administration's escalation of the Vietnam War in 1965, under the direction of Defense Secretary Robert McNamara and National Security Adviser McGeorge Bundy, and finally the Carter administration's desperate play of the China card at the insistence of National Security Adviser Zbigniew Brzezinski, had dangerously eroded the U.S. strategic position in Asia. Many of Reagan's closest foreign policy advisers traced their political descent to a group of military/intelligence experts from the Asian theater in World War II, who were antagonistic to the Atlanticist group which dominated Asia policy in the United States from Bundy to Brzezinski.

The Chun-Lee Pacific Basin proposal

Under immediate pressure to prevent future disasters in