

The secret government behind the Federal Emergency Management Agency

by an EIR Investigative Team

Because Eastern Establishment banking interests refuse to change their policies in the face of the crises those policies shall shortly reap as their reward, a secret government apparatus is now consolidating its power over the United States, with the intention of ruling the country as a police state in time of real or manufactured “national emergency.” The Iran-Contra affair, and the jailing of opposition political figure Lyndon H. LaRouche, Jr., are but two instances of special operations in which this secret government apparatus has been exposed to the public.

Sen. David Boren (D-Okla.), chairman of the Senate Select Committee on Intelligence, referred to a “secret, parallel government,” in several interviews in January 1987, after his committee had completed its preliminary Iran-Contra probe. Even the *New York Times*, in its lead editorial on Feb. 17, 1987, identified the “Project Democracy” referred to in Lt. Col. Oliver North’s notebooks as a “private, secret government.”

Internationally, this secret government is using the power of the United States to enforce International Monetary Fund looting programs, in an effort to keep the system of usury known as “the international monetary system” from collapsing. The secret government is also preparing a regime of ferocious austerity in the United States, a totalitarian, fascist policy which is to be enforced by the National Security Council through the Federal Emergency Management Agency (FEMA).

This apparatus now runs the Bush administration, which has operated from Day One through Executive Orders and classified National Security Decision Directives. For example, one of the first acts of former CIA director George Bush as President of the United States was to issue National Security Decision Directive 3, reorganizing the NSC and giving enormous power to two standing committees headed by National Security Adviser Brent Scowcroft, Henry Kissinger’s close associate, and former deputy CIA director Robert Gates. More than 90 senior-level interagency groups set up by the Reagan administration were dispensed with, and their functions placed under the NSC. In this framework, the secret government is now expanding a paramilitary crisis-management capability to control the entire nation in time of emergency, actual or manufactured. FEMA is at the center of this apparatus.

The Federal Emergency Management Agency was created under the Jimmy Carter administration by the Eastern Establishment’s two leading think tanks, the Trilateral Commission and the Council on Foreign Relations, in March of 1979. Those think tanks also provided virtually every Carter cabinet member and adviser.

One of the intellectual authors of FEMA was Carter National Security Adviser Zbigniew Brzezinski. Another was Samuel P. Huntington, who had called for a police-state apparatus, in the name of handling “national emergencies,” in his 1975 Trilateral Commission report, *The Crisis of Democracy* (see *Documentation*, below). Huntington was then a National Security Council consultant to Carter.

Huntington, prior to joining the NSC staff, had been a project director of the Council on Foreign Relations’ “1980s Project” from 1974 to 1976. The 1980s Project mapped out every policy that was subsequently carried out by the 1977-81 Carter administration. The centerpiece of those policy perspectives was summed up by project participant C. Fred Hirsch, seconded by Carter Federal Reserve chief Paul Volcker: “The controlled disintegration of the world economy is a legitimate objective for the 1980s.” “Controlled disintegration” of democratic institutions was a political corollary, as Huntington’s *Crisis of Democracy* specified.

While at the NSC in 1977-78, Huntington drafted Presidential Review Memorandum 32, mandating that “the continuity of government” be maintained during a national emergency. It bypassed the Constitution, awarding emergency powers to the National Security Council to run all operations of the government in time of emergency.

FEMA’s first action was to manage the psychological warfare that surrounded the “nuclear disaster” at the Three Mile Island plant near Harrisburg, Pennsylvania—a dry-run exercise in how the agency could be used to create crises in the popular mind where none actually existed (see box).

The secret government expands

On Dec. 4, 1981, President Reagan signed Executive Orders 12333 and 12334, which allowed the creation of a complex of secret activities beyond the reach of public law. Under the provisions for the intelligence community’s use of private agencies contained in Executive Order 12333, such agencies, not under the control of lawful authority, seized

control over intelligence gathering and other executive functions. This led straight to the abuses attributed to "Project Democracy" in the Iran-Contra scandal.

In early 1982, Ronald Reagan created the Special Situations Group (SSG) through his National Security Decision Directive 3, entitled "Crisis Management." A former Trilateral Commission member, Vice President George Bush, was designated its chairman.

On May 14, President Reagan's trusted adviser, Judge William Clark, issued a memorandum which announced that the SSG "is charged, *inter alia*, with formulating plans in anticipation of crisis. In order to facilitate this crisis pre-planning responsibility, a standing Crisis Pre-Planning Group (CPPG) is hereby established."

Marine Lt. Col. Oliver North was assigned to the CPPG. Through outgrowths of this structure, North, Col. Robert McFarlane, Adm. John Poindexter, Gen. Richard Secord, and others came to wield extraordinary power, running various foreign and domestic initiatives for the secret government apparatus, including but not limited to the Iran-Contra operations, the overthrow of President Ferdinand Marcos of

the Philippines through what became known as the "Project Democracy" apparatus, and a "Get LaRouche" task force.

On July 22, 1982, President Reagan issued his National Security Decision Directive 47 to complement the operations of the SSG and CPPG. Entitled "Emergency Mobilization Preparedness," NSDD 47 defined the responsibilities of federal departments and branches of the U.S. government to respond to a national security crisis or domestic emergency. The President invested the Emergency Mobilization Preparedness Board with the responsibility to implement the programs detailed in the directive. The directive included an overzealous restriction of civil rights, bordering on explicit police-state measures.

On July 5, 1987, *Miami Herald* writer Alfonso Chardy published an article headlined "Reagan Aides and the 'Secret' Government." This article was one of several to appear detailing the expansion of the secret government apparatus during the 1980s. According to sources, and confirmed by a FEMA spokesman, it reported that Lt. Col. Oliver North was assigned to meet with top officials of FEMA from some time in 1982 through April 1984, in order to carry out the imple-

FEMA 'handles' Three Mile Island

The Federal Emergency Management Agency's first operational exercise was in response to the safety problem that developed at the Three Mile Island nuclear plant in Middletown, just outside of Harrisburg, Pennsylvania.

Although FEMA was not scheduled to become operational until April 1, 1979, the National Security Council "jumped the gun" and set FEMA into operation Tuesday, March 27—one day before the incident. Under the direction of the NSC and a White House Emergency Task Force, FEMA personnel coordinated the emergency evacuation panic scenario, while the National Security Council's Jack Watson and Nuclear Regulatory Commission personnel managed the content and flow of news.

This news from the top was key to the creation of a climate of panic—making people feel helpless and feel as though there were no rigorous scientific principles to adequately evaluate the crisis situation.

Executive Intelligence Review correspondent Stuart Pettingell described the on-the-scene situation in Harrisburg this way at a special briefing by the Fusion Energy

Foundation April 6: "We expected to come down into the Harrisburg area and find a ghost town, deserted streets. What we found in Middletown was business as usual, with reporters wandering around trying to find some news.

"There was no competent briefing to the press after Metropolitan Edison [part owner of the plant] was officially gagged by the White House, on the request of Gov. Richard Thornburgh. There were no written technical statements out and no technical advisers were allowed to get near the reporters to explain what was going on. So, the reports coming out of Middletown—H-blasts, gigantic bubbles, and so forth—were based on small shreds of evidence given to the reporters in small doses that these reporters then had to elaborate into 500-word and 1,000-word articles.

"Until April 1, there was not one technical adviser on the scene who was capable of explaining how a nuclear power plant works to reporters, who were generally not clear on this. In terms of where the initial incident occurred, for example, everybody assumed it was in the core of the reactor. No one understood how the entire system worked. When the technical advisers finally came in, they had to spend virtually the whole night answering reporters' questions to try to clear up the complete unreality about what people thought had gone on.

"To a certain extent, the press is to blame for the sensational coverage for something that was not sensational, but the honest reporters did not have a chance to find out the true story."

mentation of NSDD 47.

We quote at length from Chardy's report.

"Some of President Reagan's top advisers have operated a virtual parallel government outside the traditional cabinet departments and agencies almost from the day Reagan took office, congressional investigators and administration officials have concluded. Investigators believe that the advisers' activities extended well beyond the secret arms sales to Iran and aid to the Contras now under investigation. Lt. Col. Oliver North, for example, helped draw up a controversial plan to suspend the Constitution in the event of a national crisis, such as nuclear war, violent and widespread internal dissent, or national opposition to a U.S. military invasion abroad."

A bit later on in Chardy's account, we read that North began developing the plans for a dictatorship in 1982, some time after he arrived at the Reagan National Security Council. At first, North's assignment at NSC was to carry the "football," the briefcase containing codes authorizing the use of nuclear weapons and contingency plans in the event of war, which is carried near the President wherever he goes. As Chardy writes:

"North later widened his assignment to cover national crisis contingency planning. In that capacity, he became involved with the controversial national crisis emergency plan drafted by the Federal Emergency Management Agency."

Chardy's article continues:

"From 1982 to 1984, North assisted FEMA, the U.S. government's chief national crisis-management unit, in revising contingency plans for dealing with nuclear war, insurrection, or massive military mobilization."

The article quotes a FEMA spokesman saying, "Officials of FEMA met with Colonel North during 1982 to 1984. These meetings were appropriate to Colonel North's duties with the National Security Council and FEMA's responsibilities in certain areas of national security."

Later, according to the article, Reagan's first-term Attorney General, William French Smith, criticized FEMA planning, saying that it called for the suspension of the Constitution, turning control of the United States over to FEMA, appointment of military commanders to run state and local governments, and declaration of martial law during a national crisis.

FEMA officials claim that the measures proposed by North have never been officially promulgated, but this is an equivocation: At the center of the FEMA contingency planning arsenal is a folder containing 22 draft Executive Orders which the President would be asked to sign in the event of war or other catastrophe; it is quite possible that North's handiwork still resides in this file, ready to be implemented at a moment's notice. The National Security Council, which would direct FEMA actions in an emergency, also has some 1,222 pages of top secret "emergency response scenarios" to cover various eventualities.

Strengthening the NSC

Inside the Washington headquarters of FEMA is a unit called the Emergency Information and Coordination Center, whose mission is supposedly to "support the National Emergency Management Authority—the President, the Vice President, and the FEMA Director." This emergency chain of command could be used to suspend the Constitution and throw all opposition to the regime into concentration camps. Or, in an alternative scenario, the emergency apparatus could be used by a figure such as Brent Scowcroft for a de facto NSC putsch against a weakened and unpopular President Bush, once again giving Henry Kissinger direct domination over the Executive Branch as during the Watergate period.

National Security Adviser Scowcroft's powers in this regard have been enhanced by an Executive Order issued by outgoing President Reagan. Executive Order 12656 of Nov. 18, 1988 contained the following instructions on emergency preparedness:

"A national security emergency is any occurrence, including natural disaster, military attack, technological emergency, or other emergency, that seriously degrades or seriously threatens the national security of the United States. Policy for national security emergency preparedness shall be established by the President. Pursuant to the President's direction, the National Security Council shall be responsible for developing and administering such policy." And again: "The National Security Council is the principal forum for consideration of national security emergency preparedness policy."

This Executive Order went in a direction opposite to what the government was then purporting to desire. After the Iran-Contra escapades of Oliver North and friends, the Tower Commission had stressed that the role of the National Security Council was to prepare policy options for the President, and not the carrying out of operative interventions. Now this verbiage is out the window again, and we are back to the National Security Council as it existed under Henry Kissinger, with the NSC functioning as the command center for the operations of all the Executive departments. The National Security Adviser director has been made a de facto prime minister whose operative authority routinely eclipses that of the President.

Through reforms made early in the Scowcroft tenure, two NSC organisms will carry out the coordination of the various federal agencies: one, at the cabinet level, will be chaired by Scowcroft, who will have precedence over Secretary of State James Baker. The second, at the sub-cabinet level, will be chaired by Scowcroft's deputy, Robert Gates, former number-two of the CIA who failed to win congressional confirmation to take over the CIA because of his Irangate involvement. This Gates committee will subsume the various inter-agency groups of the Reagan years, like the Restricted Inter-agency Group (RIG), Special Interagency Group (SIG), Operations Subgroup (OSG), 208 Committee, and others.

‘Continuity of government’

But in a state of war or emergency, the interagency process can be conducted directly through FEMA. This function would be carried out by a secret “continuity of government” committee made up of about 100 top government officials. These officials are located in the upper echelons of the Executive departments headed by cabinet-rank secretaries, other federal agencies, the governors of the 50 individual states, and law enforcement organizations.

An example of a member of the “continuity of government” aspect of the FEMA apparatus is one Buster Horton, nominally a high-level bureaucrat of the U.S. Department of Agriculture charged with “emergency preparedness and readiness.” Upon closer examination, Horton turns out to be the primary liaison between the U.S. Department of Agriculture and FEMA, one of two officials to be so designated. And, it was Buster Horton who was insinuated as the foreman of the Alexandria, Virginia federal jury that convicted and imprisoned Lyndon LaRouche on “conspiracy” charges in January 1989.

Horton is reported to possess a very high level security clearance (possibly at the Q or “cosmic” levels) which allows him to have access to top-level NATO secret documents. It is clear that the presence of an intelligence community representative of this level in a jury represents a police-state intervention that by itself must overturn the verdict rendered. Counting Horton, six members of the Alexandria jury owed their daily bread to the U.S. government, either as employees of federal agencies, or as the dependents of federal employees. One of FEMA’s official functions is to administer “coordination mechanisms among elements of the federal law-enforcement community.” There are many indications that the manipulated guilty verdict in the LaRouche case, leading to the jailing of the opposition figure foremost in resisting the encroachments of the invisible government, was an integral part of the NSC-FEMA “creeping coup” against constitutional legality in the United States.

The financial emergency scenario

FEMA regularly holds mobilization exercises that could be used to simulate or cover for a coup d’état. These include exercises coordinated with the NATO Wintex-Cimex series; Pressure Point 84, conducted jointly with the Department of Defense; Hilex II, a NATO communications exercise; plus a series of exercises given the code name of REX, (“readiness exercise”) in the sense of emergency preparedness. REX 82 Bravo was held in 1982, and it was followed by REX 84 Alpha. REX exercises are officially described as designed to test “continuity of government procedures, military support of civil defense plans, and resource management.” REX 84 Alpha was carried out together with an exercise of the Joint Chiefs of Staff called Night Train 84, described as “a command post exercise designed to evaluate the worldwide military command and control system.”

Although most of the readiness plan that describes REX 84 Alpha is still classified, it is noteworthy that the scripting of the international financial section is not only accurate, but implies that FEMA is monitoring the crisis for possible action.

The formulation of the crisis is similar to that which Lyndon LaRouche has elaborated, and is something that has never appeared in the Eastern Establishment press or journals. It reads, in part:

“World Financial Trends: February 1980-1984. The sudden withdrawal of cheap incremental loans to heavily indebted countries generated a number of consequences to both borrowers and lenders alike. The first was to throw the entire world into the worst recession since the great depression of the 1930s. Economic sectors hit first were many large capital projects throughout the developing world. This had an immediate impact on capital goods-exporting industries in the industrial countries. World trade began to shrink in both real and nominal terms.

“The response of commercial banks, in the face of these trends, was predictable. In most major debtor countries, a cycle of loan ‘reschedulings’ began in 1980. In addition, both the multinational banks and the International Monetary Fund (IMF) stressed classical economics to their client states. They emphasized three actions: (a) lower imports; (b) raise exports; and (c) reduce the government sector deficit by cutting subsidies and, in effect, cutting real wages.

“The outcome of this advice, on a worldwide basis, was primarily social unrest. It occurred in the Warsaw Pact nations as well as free world countries. The major impact of a high and rising dollar with the interest rates of most loans tied to the London Interbank Offer Rate (LIBOR) was to shift almost all import earnings from being used to pay for imports to being used to service debts. As local inventories of imported parts began to run down, industrial production in many developing countries began to drop. Bankruptcies and defaults on a massive scale developed, and doomsayers began to publish apocalyptic scenarios in the financial press.

“Major social unrest began in Poland with the initiation and suppression of the Solidarity movement in 1980 and 1982. In mid-1982, Mexico ran into a liquidity problem when oil prices and export volume began to fall short of the government’s projections. . . . In Venezuela, the problem was met largely by reducing capital expenditures.”

The Bush administration

As was the case with Huntington’s book *The Crisis of Democracy*, the REX 84 Alpha simulation of global financial crisis is as much a statement of the elites’ intentions as an academic study of the problem. Stubborn adherence to an irrational global monetary policy by Ronald Reagan and George Bush led directly to the October 1987 Wall Street crash, as Lyndon LaRouche had predicted it would. In a nationwide television address during the 1988 presidential

campaign, LaRouche warned Bush that unless he followed LaRouche's advice on economics, if elected, he would merely be acting like the poor captain of the *Titanic* who followed company policy, to the detriment of the safety of his ship.

As the REX 84 Alpha scenario had forecast, Bush's ship hit its first iceberg in Venezuela. On Sunday, Feb. 26, 1989, Carlos Andrés Pérez, the newly elected President of Venezuela, announced a gasoline price hike in accordance with International Monetary Fund austerity demands. The following day, mass rioting broke out in the capital city of Caracas when thousands of workers could not afford the gasoline to drive to work. During the ensuing four days of rioting, 1,000 Venezuelans were killed, hundreds were wounded, 35,000 businesses were looted, and damage was estimated to be in the billions of bolivars. Pérez was forced to suspend the Constitution and implement martial law to quell the crisis!

FEMA's threat today

The man currently nominated to the director of FEMA, Lt. Gen. Calvin Franklin, will be personally advised by the FEMA Advisory Board (FAB), which is composed of 21 representatives of government, the military, science, business, and academia. The FAB meets twice a year—presumably more often in time of “emergency”—and has four standing committees: Civil Defense, Continuity of Government, Terrorism, and Industrial Preparedness.

EIR questioned the current director of the FAB's Continuity of Government Committee, Gen. Andrew Goodpaster, a former NATO supreme commander, on the role FEMA would play in the future, given that President Bush's NSDD 3 had made the National Security Council responsible for making and overseeing national preparedness policy. General Goodpaster responded: “It will be very helpful that someone who understands what FEMA is all about is heading the National Security Council,” i.e., Scowcroft.

Not surprisingly, the FEMA Advisory Board is weighed down with persons from the Council on Foreign Relations.

CFR members on the board include Samuel Huntington, the creator of FEMA; Dr. Wesley W. Posvar, chairman of FAB and president of the University of Pittsburgh; Dr. Robert Kupperman, chairman of FAB Committee on Terrorism; General Goodpaster (USA-ret.), and Lt. Gen. Brent Scowcroft, who resigned his military post upon his appointment as National Security Adviser.

On March 2, 1989, President Bush announced that he had chosen General Franklin to become the new director of FEMA. Longtime proponents of emergency planning and civil defense were amazed at the choice because General Franklin, who has spent the last eight years as the commanding general of the District of Columbia National Guard, has limited experience in emergency planning. Sources believe that he was chosen as a figurehead, not likely to question the actions ordered by Scowcroft and the Council on Foreign Relations.

We're reaping fruits of the Carter era

by Jeffrey Steinberg

Ronald Reagan, and perhaps even George Bush, may have been swept into the White House on the crest of an anti-Carter, anti-Trilateral Commission wave, but the legacy of the “Magnolia Mafia's” four years in the Oval Office still haunts the presidency, eight years after Jimmy and Rosalyn packed their bags and returned to Georgia.

When Jimmy Carter waltzed into the White House in January 1977, ostensibly an “outsider” to the New York-Washington power corridor, he brought into power the most homogeneous collection of Eastern Liberal Establishment braintrusts in decades. In fact, Carter himself had been selected by the David Rockefeller, Henry Kissinger, Zbigniew Brzezinski Trilateral Commission to fulfill a very specific mission, a mission spelled out in great detail in the Council on Foreign Relations' most ambitious effort at social engineering ever.

Beginning in the early 1970s, even before the Trilateral Commission was “born,” the Council on Foreign Relations undertook its mammoth “1980s Project,” a series of studies aimed at developing a coherent gameplan for turning the next decade into an era of “controlled disintegration,” a “collapse of democracy,” and the onset of “universal fascism”—what some CFR pundits preferred to call “fascism with a democratic face.”

This malthusian world federalist vision was not in reaction to any world crisis or pending global disaster. Rather, it was the studied, conscious policy intent of the Anglo-American Establishment, to accelerate their plans for a global power-sharing arrangement with whatever leadership combination emerged in Moscow during the 1980s. Some historians have described this as the revival of the Anglo-Soviet Trust.

Revisited from the standpoint of the CFR's ambitious agenda for the 1980s, the Carter presidency was a critical moment of implementation. Laws were passed, covert operations were launched, and sweeping financial maneuvers were executed—all with the intention of setting the course of the next decade. Whether they ever realized it or not,