
Conference Report

From Cold War to economic warfare

by Scott Thompson

At the Sept. 27-29 national convention of the Association of Former Intelligence Officers (AFIO) in northern Virginia, the "Old Boys" of U.S. intelligence gathered to get the line on what the services would do, now that President Bush has officially proclaimed the Cold War to be over. One speaker after another said that the solution was to give economic intelligence the same priority as the Soviet Union.

In his speech on Sept. 28, Deputy Director of Central Intelligence Richard Kerr echoed earlier statements of Director of Central Intelligence (DCI) William Webster, to say that Japan and Germany would be the top targets for this intelligence gathering. Kerr motivated the targeting of friendly allies by asserting that with East-West tensions lessening, the Western economic crisis would come to the fore. While many European nations want to keep NATO to preserve the U.S. as a world power involved in Europe, Kerr argued, even within NATO the momentum will shift to economic issues. Kerr said that studies are being done to see whether NATO can be transformed into a political and economic alliance which would permit U.S. participation in the European Community. But, he added, it is likely that "Europe 1992" will soon eclipse both the U.S. and the Pacific Rim as the dominant economic power.

One would think, styling itself an "intelligence community," that the intelligent thing to do would be to discover how Germany has benefited from the principles of economics enunciated by Gottfried Leibniz in the 18th century and Friedrich List in the 19th, in a system which resonates with that of the first U.S. Treasury Secretary, Alexander Hamilton. Or, U.S. intelligence might study the impact of the Carey brothers (Lincoln's economists) upon modern Japan through the Meiji Reformation, which created MITI as a version of Lincoln's National Bank to fund scientific and technological breakthroughs. But, various participants at the AFIO convention stupidly defended the "flea market" economic system of British East India Company agent Adam Smith, even though its adoption has brought the U.S. physical economy to the brink of collapse.

U.S. intelligence ought to examine Friedrich von Hayek, the Mont Pelerin Society, and Wharton Econometrics as agents of a seditious monetarist economic system. Instead, AFIO spokesmen indicated that U.S. intelligence will be

assigned to destroy Japan and Germany, which succeed because they practice American System economics.

Eastern Europe was also targeted by Ted Shackley, the former Deputy Director for Operations of the CIA, in a Sept. 29 presentation. Although monetarist economist Jeffrey Sachs is already ruining Poland with his International Monetary Fund-style austerity "shock therapy," Shackley does not think this enough. "Project Democracy's" National Endowment for Democracy is already sending economists like Sachs to ruin the other Eastern European nations, but Shackley wants to run espionage so that "Germany cannot dominate Central Europe."

From bases in Western Europe, Shackley proposed that espionage be mounted against Eastern Europe, which he described as a "window" for gathering intelligence on Europe 1992 and the U.S.S.R. Among this unit's tasks, he said, would be to steal every scientific breakthrough that had military or economic application, for the United States. Shackley told me that Germany would even help set up this operation, because the publicly announced U.S. targeting of Germany would only be a "minor irritant."

Targeting LaRouche

The only debate was over the question of industrial espionage—i.e., the theft of trade and development secrets. CIA Director for Public Affairs Joseph Di Trani said that his Agency had just completed a study of guidelines for how such espionage could be turned over to U.S. corporations. He said the study was now before policymakers at the highest level for approval.

Di Trani admitted privately that there was little new about the economic intelligence question, except a change of targets. He agreed that in 1982-83 during the outbreak of the Ibero-American debt crisis, then DCI William Casey and Leo Cherne, then vice chairman of the President's Foreign Intelligence Advisory Board (PFIAB), had used the gamut of capabilities—including electronic means—to spy on Ibero-American countries on behalf of Chase Manhattan and Citibank. Moreover, Di Trani agreed that Henry Kissinger had been the liaison between PFIAB and these creditor banks to collect the debt. While the Casey-Cherne-Kissinger policy of genocidal debt collection has left Chase and Citibank still on the verge of bankruptcy, one of the key issues for their mounting the "Get LaRouche" task force was disagreement with LaRouche's "Operation Juárez," which would have both saved the banks and permitted Third World economic growth. Cherne and Kissinger targeted LaRouche as an outgrowth of their economic warfare activities.

Di Trani said the difference in what is now being planned is that the former was *ad hoc*, while Webster is proposing a full-blown program. Every indication is that it means a U.S. intelligence effort to drag down the economies of Germany and Japan, the only engines of economic productivity that can save the U.S. from the ruin of British economics.