

hand man of the President, George Stephanopoulos, suddenly faces the possibility of criminal indictment for obstruction of justice. And as for the Clintons themselves, what can they be thinking now that their high-minded act has been exposed as a venal sham?"

**June 19:** Under the headline "Hawks Hammer at White House Door. Pyongyang Is Forcing Clinton to Face the Acid Test of His Nuclear Policy," Evans-Pritchard harps on White House problems with foreign policy: "There is a cacophony on policy toward North Korea in the establishment at a time when President Clinton needs clear guidance."

**July 17:** "Clinton 'Took Cocaine While in Office.'" Exclusive interviews in the London *Sunday Times* say Clinton took cocaine until the mid-1980s. The drug use could have begun when he was a law professor, Arkansas Attorney General, or governor of Arkansas.

**July 31:** "Doubts Linger Over Death of Clinton Aide." Evans-Pritchard reports that radio talk shows—"America's equivalent of the British tabloids"—have challenged the official verdict of the death of White House aide Vincent Foster.

**Sept. 11:** "Clinton Plays His Green Card." Evans-Pritchard reports that Clinton's views in sympathy with the Irish nationalist cause were formed at England's Oxford University in the late-1960s, and have remained unchanged. Clinton has made contact with "some of the wilder men from the fringes of the Irish-American lobby."

**Sept. 25:** The *Sunday Telegraph* headline is "Carter's Haiti Hijack. Operation Restore Democracy Has Not Gone Quite to Plan. The Consequences—Political and Military—Could Spell Disaster for Bill Clinton."

**Oct. 9:** Evans-Pritchard covers more administration scandals under the headline, "Bill Clinton and the Chicken Man." Secretary of Agriculture Mike Espy has had his career "destroyed by the curse of Bill Clinton's home state." He is under investigation by a special prosecutor for accepting gifts from Arkansas poultry king Donald Tyson, and announced his resignation the week before.

**Nov. 20:** "Clinton 'Unfit for Office.'" Quotes Sen. Jesse Helms (R-N.C.) saying that President Clinton is unfit to be commander-in-chief.

**Nov. 20:** "It's America First. A Festering Disagreement Over the Balkans Has Reached the Point of an Irreparable Rift between America and Britain." Evans-Pritchard begins: "The whispering campaign against Britain is coming out into the open in Washington. Anonymous U.S. officials are now accusing the British of planting stories about a U.S. covert operation in Bosnia."

**Dec. 4:** "Patriot Games Turn Deadly." Evans-Pritchard gives glowing coverage to the militia movement in America that poses a direct security threat to the President, describing them as "the shock troops and enforcement arm of the 1994 American Revolution. If the Republicans betray their promises and fail to restore 'constitutional' government, these people could take matters into their own hands."

## Bush insurgents aim axe at Constitution

by Carl J. Osgood

The frenzied activities of the top Washington, D.C.-based conservative think-tanks during the month of December accelerated the movement to dismantle most of the U.S. federal government, in order to keep more and more loot flowing into the bankrupt financial system without interference from institutions designed to protect the public. Nowhere was this more evident than at a forum at the National Press Club on Dec. 16 sponsored by the Project for the Republican Future, headed by former Bush administration official William Kristol.

The panelists in the forum were leaders from some top British-inspired think-tanks in Washington, including the American Enterprise Institute (AEI), the Cato Institute, the Heritage Foundation, and the Competitive Enterprise Institute. While their remarks differed in some details, they all had the same target in their sights: the social and economic activities of the federal government—and especially, the Constitution of the United States. This was reflected by the American Enterprise Institute's Christopher Demuth, who joked that, because he was the fourth speaker, "I thought the only way I could continue the conversation . . . would be to propose that we simply go back to the Articles of Confederation and start over." (The Articles of Confederation misruled and nearly overthrew the United States from 1783 until 1789.)

The thinking behind the forum, entitled "What to Kill First: Agencies to Dismantle, Programs to Eliminate and Regulations to Stop," was perhaps best stated by Fred L. Smith, the president of the Competitive Enterprise Institute, who, in his opening remarks, said, "The election was a call for less government, not for good government, not even good Republican government." This was echoed by the other speakers and endorsed by Kristol, who moderated.

### Demolition

The laundry list of current government functions to be reduced, privatized, or eliminated, includes:

- repealing the federal gas tax and returning highway programs to the states
- ending mass transit programs
- ending the FDA's role in approving "health enhancing technologies"
- ending corporate and agriculture subsidies

- privatizing the Corporation for Public Broadcasting
- eliminating funding for the National Endowments for the Arts and the National Endowment for the Humanities
- privatizing the Legal Services Corp.
- eliminating the Small Business Administration
- repealing the Davis-Bacon Act
- ending B-2 bomber, Seawolf submarine, and D-5 missile production
- ending regional development programs including rural electrification
- canceling the space station
- significantly reducing the activities of the Bureau of Land Management and the Army Corps of Engineers
- abolishing the Interstate Commerce Commission and the Maritime Administration
- abolishing the Government Accounting Office.

William Niskanen, president of the libertarian Cato Institute, admitted that a complete list would “probably include most activities of the federal government.”

What was not discussed, conspicuously, was the national government’s proper role in providing for the general welfare, as mandated by Article I of the Constitution. While it can be demonstrated that there are activities of the federal government, such as environmental programs and regulations, that conflict with the general welfare, the attacks of the conservatives, as indicated by their hit list, are not only not limited to such activities, but are based on the British ideological mantra of the free market. They would outlaw all government activities that conflict with their market-oriented worldview, inherited from the old British East India Company.

Besides programs to cut or eliminate, there were also regulations to curtail or abolish. The most important proposal in this category is the deregulation of the financial markets, which includes the much-touted cut in the capital gains tax and repeal of the Glass-Steagall Act of the 1930s. Under Glass-Steagall, commercial banks cannot engage in investment banking activities, such as floating stock issues. Incoming House Banking Committee Chairman Jim Leach (R-Iowa) announced on Dec. 17 that repeal of Glass-Steagall would be one of his committee’s top priorities.

Another target is the conglomeration of federal entitlement and welfare programs. Demuth called for privatizing both Social Security and Medicare. The Heritage Foundation’s Stuart Butler, who also sits on the advisory board of AEI, told a Heritage Foundation panel discussion on Dec. 15, that entitlement reform should take the form of federal programs being devolved down to the state level, especially welfare. Butler failed to point out that many state governments are facing budget crises themselves, and, rather than taking over these programs, will either replace them with slave-labor “workfare” programs or eliminate them altogether.

The forum discussion was devoid of any conception of

any sort of positive role for the national government. Indeed, all the speakers had in common a strong enmity toward the federal government. Demuth even spoke of the November election results as providing “a strong, but so far a very general, anti-government animus.” He talked of translating this “animus into a workable political consensus for specific reforms.”

### **Think-tanks pushing British agenda**

All of these think-tanks are convinced (or, at least, are saying) that the November election was a mandate for the insurrectionary Republican faction’s Contract with America and that they will play a big role in getting their ideological agenda through Congress. Heritage’s own panel discussion on Dec. 15 focused on the Republican freshmen. One topic was the orientation session that Heritage sponsored in Baltimore over the Dec. 10-11 weekend. At that conference, sections of which were closed to the press, Heritage presented to the new congressmen its “New Member’s Guide to the Issues,” which includes in greater detail the cuts and reforms discussed on Dec. 16.

The Republican think-tanks’ reading of the “will of the people” is self-serving, to say the least. A CBS News/*New York Times* poll, despite the pitfalls of such polls in general, appears to be more realistic when it reports that only 27% of voters had heard or read about the Contract with America. The poll also reports that a majority of Americans prefer that welfare recipients earn their benefits rather than being cut off, and also reject a balanced budget amendment to the Constitution (another key element of the Republican campaign platform) that requires cuts in programs or higher taxes. The poll also shows little support for cutting off welfare benefits for young unmarried mothers. This poll result, which coheres with *EIR*’s independent readings of the political mood in the country, hardly indicates that voters wanted to dismantle the government, although there may be considerable populist pressure to carry out at least some elements of the Republican “contract.”

These think-tanks are using the unfolding economic crisis as an opportunity to push their agenda, which is destruction of large parts of the federal government, while leaving intact the police-state apparatus built up under the Reagan and Bush administrations. The leadership vacuum that has arisen in the Democratic Party, and especially the President’s own ignorance of economics, has given these libertarians the forum they need to see large portions of their programs taken seriously by the policymakers now coming into Congress.

The real beneficiary of the privatization and deregulation schemes would be the bankrupt financial system, which needs new sources of loot to prop up the \$30 trillion derivatives bubble. The capital gains tax cut, privatization of many government functions, and deregulation of financial services are always key elements of the reforms demanded by these “conservative” stooges of Britain.