

Sabotage drive against U.S. defense effort

by Richard Freeman

Paul Thayer, the deputy secretary of defense resigned on Jan. 4 following leaks of reports that the Securities and Exchange Commission would file civil suit against him for violating federal laws by providing insider stock information to friends. The resignation is a victory for Moscow's drive to stop the U.S. development of a beam-weapon defense system, a policy Thayer strongly advocates. As *EIR* had predicted, scandals, character assassination, and blackmail will be amply employed by the appeasement faction in the United States. Secretary of Defense Weinberger is next on the target list.

The Thayer resignation is the most important development thus far. Since Dec. 26, 1983 through Jan. 4 of this year, there have been a salvo of other attacks: the Long Report on the Beirut massacre has condemned Marine conduct in Lebanon, the Grace Commission report has dictated \$150 billion in defense cuts, House Government Operations Committee, under chairman Jack Brooks (D-Tex.), is investigating alleged conflicts of interest on the part of members of the Defense Science Board and the advisory science boards for all the major armed forces branches.

There can be little doubt that these attacks will have their impact on the fiscal 1985 defense budget debate. The Reagan administration has already cut back its original defense budget request from \$322 billion to \$305 billion. Deeper cuts may be extracted.

The Thayer purge

As the Jan. 5 *Boston Globe* put it, "The departure of the Pentagon's second-ranking official, who managed the day-

to-day affairs, leaves a considerable void at a time when Thayer had been expected to take the lead in trying to persuade Congress to accept the fiscal 1985 defense budget proposals."

After taking over the deputy secretary's position at the Defense Department in early 1983, Thayer became the leading opponent of John Lehman, the secretary of the Navy. Lehman is one of the most vociferous opponents of beam weapons in the civilian side of the military. He is also a leading spokesman for "out-of-area deployments," to engage the U.S. Navy in genocidal depopulation wars against Third World nations. At a staff meeting, Thayer reportedly told Lehman, "This place isn't big enough for the two of us."

From the mid-1970s until 1982, Thayer was chairman of the Dallas-based LTV, one of the largest U.S. defense contractors, which produces, among other things, the Navy's A-7 attack plane and the Army's Multiple Launch Rocket System. In the 1980s, he was also a director of Anheuser-Busch, America's number-one beer producer. The SEC charges that Thayer had inside information in the summer of 1982 that Anheuser-Busch would buy Campbell Taggart, a large food conglomerate, on Aug. 4; those who bought Campbell Taggart stock in mid-June would have made \$158,000 for every 10,000 shares. It is alleged that Thayer passed on such information to his friends, although he is not charged with having profited himself.

The first leak that the SEC was investigating Thayer appeared in the Dec. 30 edition of the *New York Times*, that self-righteous advocate of defense cuts. As for the SEC,

which conducted a 10-month investigation into Thayer's alleged wrongdoings, it is a notorious dirty tricks operation, set up in 1933-34 by one of the Nazi sympathizers of that decade, Joseph Kennedy, its first chairman, and run by the anti-growth investment banks of Wall Street. Watergating individuals on the basis of "white-collar" crime is the specialty of the pro-Soviet Division V wing of the FBI and of the Justice Department (which simultaneously condone a \$300 billion-plus yearly international trade in illegal drugs).

Paul Thayer is also the target of separate investigations by the U.S. Attorneys for Washington, D.C. and for New York. Rudolph Giuliani, the federal prosecutor for New York, is the protégé of Harold Tyler of the blue-blood law firm Patterson, Belknap, Webb and Tyler. It was Tyler and Giuliani who launched Justice Department investigations of LaRouche and his philosophical association, the International Caucus of Labor Committees in 1976—on charges that the ICLC was attacking the Communist Party U.S.A.! It was also Giuliani, operating from the number-two position in the Ford Justice Department, who covered up the vote fraud in four key states by which Jimmy Carter stole the 1976 presidential election. Last summer, while serving as the Reagan Justice Department's number-three man, Giuliani blocked demands for investigations into the tour of 33 American cities of top KGB and Russian Orthodox Church operatives, including Andropov adviser Fyodor Burlatskii, as *EIR* reported at the time. The Soviet operatives called for halting America's beam defense program.

The Dec. 30 *New York Times* had gloated, "Should he [Thayer] decide to fight the expected charges, he would face prolonged litigation that could divert his attention from his Pentagon job." The Reagan administration and Thayer practiced "damage control," and Thayer resigned in order to fight the case as a private citizen.

Long Commission cover-up

The Thayer case created a siege mentality in the administration, as three other developments occurred.

First, on Dec. 28, two days before the *Times* leak on the Thayer case, the commission headed by Adm. (ret.) Robert L. J. Long, which was empowered by the Defense Department to look into the Marines' defenselessness against the Oct. 23 Russian-Iranian terrorist attack that killed 241 servicemen in Beirut, announced its conclusions. The Long Report, which scapegoated the top leadership of the Marines and the American defense command in Western Europe, presents not so much an investigation of the massacre as a tirade against the U.S. presence in Lebanon. It fails to mention that it was on State Department orders that American soldiers were forbidden to carry live ammunition.

Further, the report creates the impression that terrorist attacks are practically impossible to defend against. The State Department and FBI, which have worked with and in some cases spawned American terrorists and terrorists in other

countries, shaped the commission's report.

Then the first leaks appeared from the Grace Commission report, calling for \$150 billion in defense budget cuts over the next three years, as part of approximately \$300 billion in "savings" in the federal government budget over the same time span (see article, page 6).

Among the demands are cuts in military pension funding, clampdowns on "cost overruns," (i.e., weapon system expenditures), dismantling of the defense machine tool reserve, severe curtailment of spare parts acquisition, and development of weapons systems requiring only "standard tooling."

The report has put the President, who foolishly commissioned the "cost-accounting" study, into a difficult situation. Were Mr. Reagan to follow the report's recommendations on defense cuts, and treat the defense of the country as a purblind little accountant would, he will commit the United States to national suicide. But if he rejects the report's recommendations, the KGB Democrats and Volcker Republicans will fry him for commissioning a report, then ignoring it when it runs counter to his own wishes.

The commission's chairman, J. Peter Grace, who heads the century-old raw-materials looting and shipping firm W. R. Grace & Company, has issued dire warnings of "economic convulsion," "20 percent interest rates," and Third World "loan defaults" were his report's recommendations not followed.

Good-bye to lasers

Not content with cutting the defense budget and forcing the deputy defense secretary's resignation, the Soviet-approved faction in the United States is attempting to dismantle the "old-boy" defense network, especially in space-based laser systems. The "old-boy network" is what's left of the working teams of America's production managers, executives, and engineers, with skills in aerodynamics, rocketry, gyroscopy, nuclear technologies, and so forth.

At the center of this effort are the House Government Operations Committee (HGOC) under Jack Brooks and the General Accounting Office (GAO) of the Congress, who share personnel and information. In the fall of 1983, the HGOC held hearings on "conflict of interest" in the case of 32 members of the Defense Science Board, the Army Science Board, and the Air Force Scientific Advisory Board, which advise the Defense Department and the services on weapons systems design and procurement. The Defense Science Board was established more than 25 years ago. It has 31 members at large, three ex-officio members and nine senior consultants, all selected by the secretary of defense. At the hearings, Brooks, using General Accounting Office information and testimony, charged that industry officials on the boards were giving scientific advice that would benefit them financially.

A staff aide at the HGOC reported that the GAO has referred the names of the 32 people who are alleged to have conflict of interest to the Justice Department. These are crim-

inal charges; according to the HGOC's Lewin, those charged face one to two years in jail and a \$10,000 fine if convicted. At the top of the list of those charged with conflict of interest is Norman Augestein, chairman of Martin Marietta, the company involved in the production of the MX and Pershing missiles.

Under special attack was TRW, which is heavily involved in the laser research program for beam weapons. The Brooks committee attacked Dr. Barry Boehm of TRW's defense and space systems group, Dr. John Weber of TRW's military electronics division, and Dr. Richard DeLauer, a former TRW executive vice president, who is the current undersecretary of defense for research and engineering. The HGOC saved its strongest attack for John Foster, a TRW vice-president most involved in advancing laser work. A HGOC report states:

"One glaring example presented involved the studies of two DSB panels concerned with high-energy lasers and DOD space-based laser weapons research. Both committees were chaired by Dr. John Foster, a vice-president of TRW and former DOD director of research and engineering, even though officials at the DSB Secretariat were well aware that his presence would constitute a potential conflict of interest since TRW was intimately involved in DOD's laser/space research and development efforts."

A member of the Brooks committee was quoted in the Dec. 26 edition of *Aviation Week* magazine as stating that the DOD had to reverse the DeLauer task force recommendations, namely for a sizeable increase in funding for beam-weapons defense.

The Brooks committee recommends that no person involved directly or indirectly in any area on which a Defense Science Board task force is working be allowed to serve on that task force. This would exclude those who know what they're talking about. Another recommendation is that all members of such a task force must have their names recorded in the Federal Register before they begin the task force work. Under current procedures, the names of individuals on DSB task forces are kept secret until after the task force completes its report. This would undoubtedly facilitate espionage and media sabotage.

One of Brooks's aides reported Jan. 4 that the HGOC will hold further hearings this year on conflicts of interest in the Defense Science Board and related armed services boards. "We don't want to let this issue go," he said. He added that the HGOC will also hold hearings on space technology to challenge the U.S. Air Force's attempt to gain "dominance in space" and "militarize space." He concluded, "We want to break up the old-boy network."

The Reagan administration cannot continue to practice "damage control" and sacrifice its best people to the hounds of Moscow. At some point, the administration has to turn and fight, and that point had better be very, very soon.

Grace Commission demands deadly cuts

by Leif Johnson

In February 1982 the President telephoned J. Peter Grace, scion of the Grace family whose fortune was made from looting the land and raw materials of Ibero-American republics, to ask that he assemble what became the President's Private Sector Survey on Cost Control (Grace Commission) to trim the federal budget.

Which administration budget-gougers encouraged the move is unknown, but the results announced Jan. 6 constitute a threat to national security.

The 37 separate reports, supervised by 161 of Grace's political accomplices from Eastern Establishment banks, insurance companies, and corporations, are the largest attack on federal government activities ever proposed. If enacted, the 2,500 budget cuts would turn the U.S. government into the form of government preferred by the Grace family—a banana republic.

The purpose of the commission's recommendations may be summarized:

1) To compile and reissue the "liberal" budget reform demands proposed by the Eastern Establishment over the past 20 years.

2) To gut the military by slashing \$150 billion from its budgets over the next three years, hacking military procurement, pensions, military bases, research and development, new weapons systems, spare parts, reserve equipment and ordnance, and commissaries.

3) To reinforce the liberal Harriman-Kissinger-Volcker-Shultz attack on the President's military policy by attacking military spending as "greed."

4) To profile and intimidate senior government officials in the course of thousands of interviews in the which the commission implicitly accused federal agencies of organizational inefficiency and financial waste.

5) To threaten that if recommendations are not enacted, in the words of Peter Grace, "interest rates will go back up to the 20 percent range again, and we'll have a complete world economic crisis, an economic convulsion, with large defaults on loans, particularly by nations."

6) To signal the U.S.S.R. that if the President accepts the