

## Don Regan's Palace Guard is fast seizing power

by Kathleen Klenetsky

Using the pretext of President Reagan's illness, the White House Palace Guard, with Chief of Staff Don Regan in the lead, has moved with incredible speed to seize the reins of the United States government.

The President had hardly been admitted to Bethesda Naval Hospital for surgery to remove a large intestinal growth on July 13, when Donald Regan, acting with the seeming concurrence of Vice-President George Bush, anointed himself de facto President—as the *Philadelphia Inquirer* put it. “Don is in charge of the whole show,” one White House aide said. “Everyone works for Don.”

The Eastern Establishment press is exulting over former Merrill Lynch banker Regan's attempts to reduce the President to a mere figurehead. The *New York Times* wrote on July 15 that Regan “is emerging as one of the most powerful chiefs of staffs in years, and Mr. Reagan's illness has placed [him] squarely in the center of decision-making” on domestic and foreign policy.

According to numerous sources, the White House Chief of Staff has set himself up as the main channel between the recuperating President and the White House for the duration of the President's recovery—a recovery which Regan would apparently like to extend forever.

Immediately following Reagan's surgery, Regan moved into an office down the hall from the President's hospital room; until July 17, a full four days after the President's surgery, Regan had been the only member of the administration to confer personally with the President. Regan announced July 14 that Reagan would follow “a much lighter schedule. We'll try to make as many decisions as we can without involving him. . . . We would try to spare him as much of the details as possible.”

Emulating his predecessor Mike Deaver, who tried to cultivate a Rasputin-like relationship with Mrs. Reagan, the White House chief of staff has managed to enlist the First Lady in his efforts. White House sources report that Nancy

Reagan has assumed the role of “protector” of the president. “She's his protector in making sure that he does not overdo it,” said an aide. “She's certainly part of the decision-making. Don Regan is definitely consulting her on how many meetings the President should have. They are talking a lot.”

The President's actual physical status appears to be less serious than Regan's actions convey. Doctors called his recovery “spectacular,” and White House spokesman Larry Speakes described Reagan as “chomping at the bit,” and eager to resume his duties. The President is “already talking about his schedule and returning to work,” Speakes announced July 16. “So, I think, the President is, in his own mind, ready to be up and at 'em.”

Apparently, the President's chief of staff does not agree. Regan has started exercising his new powers with a fury.

- He has made clear that the National Security Council, the Domestic Policy Council, and the Economic Policy Council will meet without President Reagan.

- He has also taken control of the budget process—which, through his personal sabotage of a compromise which had been worked out between the President and the House leadership earlier this month, immediately fell apart.

- He has placed himself in charge of White House personnel, as evidenced by his key role in selecting a replacement for Office of Management and Budget head David Stockman, and his efforts to move long-time Reagan loyalists, such as Patrick Buchanan and John Svahn, out of the administration, and substitute his own cronies.

The financial oligarchy which pulls Wall Street banker Don Regan's strings has kept an entrenched position inside the administration, particularly dominating economic and foreign policy. Now, running roughshod over the Constitution, Regan's backers see the opportunity to overturn the mandate of the 1984 presidential election, when voters emphatically rejected Mondale in favor of the President.

Since first entering the administration as treasury secre-

tary in 1981, Donald Regan has pursued policies totally at odds with U.S. interests, including his insistence that the U.S. submit to International Monetary Fund surveillance, and that cutting the budget deficit is a far more important priority than providing the U.S. with a defense adequate to meet the mounting Russian threat.

He has scored major victories on both issues: The U.S. formally embraced IMF surveillance at the IMF Interim Committee meeting last April, and three weeks later, the White House agreed to a zero-growth defense budget.

The chief of staff played a particularly egregious role in engineering the military budget disaster, apparently convincing the President that he had no political choice but to concede to congressional demands for deep cuts in military spending. So intent was Regan on keeping the defense budget at levels far below what is necessary for U.S. national security that in May, while traveling with the President in Europe, he deliberately blocked Mr. Reagan from receiving an emergency, transatlantic phone call from Defense Secretary Weinberger warning against the cuts.

Moreover, Regan has functioned as the principal channel for the mountain of lies and disinformation which has convinced Reagan, against all the evidence, that the economy is on the upswing. This has not only prevented the President from developing the necessary emergency solutions to the impending economic crisis, but also threatens to be his political undoing once the crisis becomes unignorable.

Regan's policy orientation locates him squarely in the State Department-dominated faction which wants to destroy the Strategic Defense Initiative (SDI)—a position which places him completely at odds with the President's own wishes, as the President himself unequivocally reiterated them just before undergoing surgery.

Reagan devoted his entire nationally broadcast, Saturday noon radio address July 13, prerecorded before he entered the hospital, to reaffirming the importance of the SDI to Western security, and blasting the "hypocrites" in Moscow for demanding the United States drop the project. The SDI "makes eminent sense," said Reagan, not only because "it is better to protect lives than to avenge them," but because "it could prove crucial to guarding security and peace for America and her allies."

The President blasted the Soviets for attacking the SDI, pointing out that the Russians not only have far surpassed the U.S. in key areas of strategic defense technology, but have repeatedly violated the very arms control treaties which they claim the U.S. program infringes. "The Soviets have devoted a huge share of their military budget to a sophisticated SDI program, which, in resources already allocated, far exceeds what the United States anticipates spending in the current decade."

"Is it not preposterous," Reagan asked, "for the Soviets, already researching defense technologies for two decades, to now condemn America's embryonic SDI program. . .? Soviet hypocrisy is even more glaring when we realize who's

taking advantage of our open society to propagandize against" the SDI.

The President pledged "to put these facts on the table when I meet with Mr. Gorbachov in Geneva this November, and to tell him the United States not only has the right to go forward with research for a strategic missile defense," but "in light of the scale of their program, we'd be the greatest fools on Earth not to do so."

### 'Palace politics'

If Don Regan and the Palace Guard have their way, Americans will certainly turn out to be "the greatest fools on Earth." As *EIR* contributing editor Lyndon LaRouche stressed in a statement issued July 12, this is unhappily the direction in which U.S. policy is now heading.

Devoted primarily to explaining how Richard Burt, a leaker of crucial U.S. intelligence secrets and a proponent of "New Yalta," could be named ambassador to West Germany, LaRouche's widely circulated document identified the principal reason behind the recent spate of suicidal policies pursued by the administration.

The reason many influential Washington circles accept these policies is "Washington Palace-Guard Politics," wrote LaRouche. "They say words to the effect: 'Sure, the Titanic is sinking, but the captain refuses to believe it, and we're not going to jeopardize our seating position at the captain's table by offending him on this issue.'

But the "captain" in Washington isn't Reagan, LaRouche continued. The true "captain" is a "'palace guard,' centered around Grand Vizier Donald Regan, and spreading to include Secretary of State George Shultz, Henry Kissinger's crowd, and anyone else who happens to have prominent access to molding what amounts to 'palace gossip' on assorted topics. . . ."

LaRouche noted that growing portion of Washington opinion views the President, at the moment, as predominantly a figurehead. "Long-range thinking in most circles around Washington is already concentrated on the outcome of the 1988 presidential elections. Long-range thinking . . . is adjusting to a prospective phasing-out of 'a lame-duck President,' and the emergence of his prospective successor. . . ."

The real problem, LaRouche stressed, is that, on nearly every real issue of foreign and domestic policy, "individuals do not say what they think; they say what they believe it advantageous to be overheard saying. They calculate how the 'palace guard' will react to everything said or unsaid. In brief, 'rearranging the seating positions at the captain's table on the sinking Titanic.'"

"Unless forces inside the United States rise on their hind legs, and break this suicidal pattern of behavior in Washington," LaRouche warned, "the Titanic will sink, captain's table, captain, and all. . . . unless Washington changes drastically very soon, President Reagan is presently headed to be the last elected President of the United States to serve full term in office."