
Background to the News

What went wrong with U.S. foreign policy?

by Jeffrey Steinberg and Scott Thompson

Now that the decade of the 1980s has ended, it is useful to look back on events that shaped the course of U.S. foreign policy toward its present fatal embrace of a global condominium with a Soviet empire that is itself dying from within. The seeds of that rotten deal were planted midway through the first Reagan administration during the spring-summer of 1982. The seminal figure in that effort was the very same Henry Kissinger, whom presidential candidate Ronald Reagan declared throughout his 1980 campaign, would be *persona non grata* in his White House.

Jailed American statesman Lyndon H. LaRouche, Jr., in a 1990 New Year's message, drew the following historical parallel: "In respect to the events of 1982-83 leading into the Bush election campaign of 1986-88 and the Bush administration of 1989, it should be stressed that Henry Kissinger's closest historical approximation in U.S. politics, is the role of Lord Shelburne, the Second Earl of Shelburne, during the middle to latter part of the 18th century, when Shelburne was the leading adversary of the United States."

Shelburne "effectively controlled Adam Smith, an adversary of the United States working for Shelburne and his cause. He was the controller of King George III, and the controller of William Pitt the Younger," LaRouche explained. The Bush administration "is essentially a Kissinger administration. . . . Bush is a figurehead in a Kissinger administration. This is all Kissinger policy . . . and Bush is—by being in largest part, owing to the Anglo-American liberal Establishment as exemplified by his association with the Trilateral Commission and Yale earlier—essentially a part of that."

LaRouche qualified, "Shelburne, of course, was a much higher ranking figure than Kissinger, but nonetheless, for purposes of comparison, that makes the analogy."

Permission of the British cousins

Ironically, the action that brought Kissinger more directly into the Reagan administration policy counsels appeared to many to be a defeat for Kissinger, namely when President Ronald Reagan summarily fired Kissinger's former subordi-

nate, Gen. Alexander Haig, from his post as secretary of state, appointing George Shultz in his stead. Yet Shultz—whose father Birl Earl Shultz had been at the center of East-West power-sharing and economic dealings as part of the Anglo-Soviet "Trust" from the 1920s—turned at once to Henry Kissinger in a seven-and-a-half-hour meeting on July 17, 1982. It was the first of many meetings that set the priorities of U.S. foreign policy.

Just before he resurfaced as a guru of American foreign policy folly, Kissinger had made a blunt admission as to where his principal loyalties had always lain. On May 10, 1982, in a speech before Britain's Royal Institute of International Affairs ("Chatham House"), Kissinger boasted of three decades of treasonous secret codicils between the British and American sections of the liberal Establishment, which had shaped U.S. foreign policy. In his now-infamous speech, which was circulated with the endorsement of David Abshire of the Center for Strategic and International Studies (CSIS) and the Reagan administration, Kissinger said:

"The British were so matter-of-factly helpful that they became a participant in internal American deliberations to a degree probably never before practiced between sovereign nations. In my period in office, the British played a seminal part in certain American bilateral negotiations with the Soviet Union—indeed, they helped draft the key document. In my White House incarnation, then, I kept the British Foreign Office better informed and more closely engaged than I did the American State Department—a practice which, with all affection for things British, I would not recommend be made permanent. But it was symptomatic. . . ."

"In my negotiations over Rhodesia I worked from a British draft with British spelling even when I did not fully grasp the distinction between a working paper and a Cabinet-approved document. The practice of collaboration thrives to our day, with occasional ups and downs, but even in the recent Falklands crisis, an inevitable return to the main theme of the relationship."

The economy: Reagan's Achilles' heel

President Ronald Reagan had won election to his first term partly because of his campaign pledge that he would not let the hated Henry Kissinger have anything to do with U.S. foreign policy. Yet, Reagan's perplexed adherence to an economic system based upon Shelburne's agent, Adam Smith, rather than American System economics, became the Achilles' heel through which Kissinger's promoters in the Anglo-American liberal Establishment managed not only to subvert Reagan's hopes for an independent U.S. foreign policy, but also to inject "creeping Kissingerism" into his administration, abetted by such friends as George Shultz and Lawrence Eagleburger at the State Department.

The immediate economic issue that Kissinger seized as his opportunity—the Third World debt crisis—also pitted Kissinger directly against political economist Lyndon H.

LaRouche, who in the summer of 1982 drafted his “Operation Juárez” plan, based upon American System economics. That plan would not only have permitted an orderly reorganization of the debt, saving the banking system, but combined with even greater Third World rates of development, would spark an international economic recovery. The first battleground on this issue was in Mexico in fall 1982. Kissinger was to travel to Mexico, shortly after LaRouche’s meetings with Mexican President José López Portillo that summer. Kissinger’s own trip, to demand International Monetary Fund-style austerity instead of the American System approach put forward by LaRouche, coincided with the founding of his global influence-peddling firm, Kissinger Associates, Inc., in partnership with Britain’s Peter Lord Carrington, Gen. Brent Scowcroft, and others. The clients included such major creditors of Third World nations as Chase Manhattan Bank.

When on Sept. 1, 1982 President López Portillo nationalized the Mexican banks, a spokesman for Kissinger Associates warned that Mexico must submit to IMF austerity, regardless of whether this creates a “volatile and potentially unstable situation,” that may lead to “serious problems—potentially even a coup—before 1990.”

Kissinger’s declaration of war against the sovereignty of Ibero-American nations on behalf of the banks was shopped into the Reagan administration not only by Shultz at the State Department, but also by Director of Central Intelligence William Casey and Casey’s lifetime sidekick Leo Cherne, who was then vice chairman of the President’s Foreign Intelligence Advisory Board (PFIAB). As Cherne himself has since confirmed, the Mexican debt crisis sent a shockwave through the administration. PFIAB not only set up an emergency Third World debt task force, but DCI Casey, with presidential approval, charged U.S. intelligence as a whole with the task of economic warfare against Ibero-American and other debtors, driving this major instrument of U.S. foreign policy—the intelligence community—into the hands of the Anglo-American liberal Establishment on this critical issue.

It started at the Grove

There were many other issues that pitted Kissinger against LaRouche in political intelligence warfare—including, for example, the revelations by LaRouche’s associates throughout 1981 that Kissinger had been tied to the illegal Propaganda 2 Freemasonic Lodge in Italy; and the August 1982 filing of a legal brief in Rome, by a close LaRouche associate, citing Kissinger’s repeated threats to Christian Democratic Party chairman Aldo Moro who was subsequently slain by terrorists linked to that same P-2 Lodge. But it was possibly because of the debt issue that at the July 1982 gathering of the quasi-Masonic West Coast cult, “Bohemian Grove,” Kissinger conspired with fellow revelers to launch a “Get LaRouche” operation within the government. At Bo-

hemian Grove (which was portrayed in the November 1989 issue of *Spy* magazine as a kook farm servicing the rich and powerful with a rustic version of the Marquis de Sade), Kissinger in 1982 held grope sessions with the new Secretary of State George Shultz, former West German Chancellor Helmut Schmidt, Singapore’s Lee Kwan Yu, then FBI Director William Webster and others.

On Aug. 19, 1982, Kissinger revealed this Grove meeting to have been the origin of the “Get LaRouche” effort, when he wrote “Dear Bill” Webster demanding that action be taken against LaRouche. The ensuing flood of correspondence, which was released under the Freedom of Information Act and published across the country by major media and in the *Congressional Record*, culminates with a Jan. 12, 1983 memorandum from “Dear Bill” Webster authorizing a complete investigation of “the LaRouche Group’s” finances. Webster said that this memo was based upon a mandate from PFIAB. At a PFIAB meeting, the publicist of Kissinger’s Chatham House speech, David Abshire, had called for an investigation of whether LaRouche “might be funded by hostile intelligence agencies.” Kissinger’s friend, Edward Bennett Williams, had seconded this demand from PFIAB. Thus officially began the “Get LaRouche” task force, and, less than a year later, after Kissinger had completed work on the President’s Bipartisan Commission on Central America, the once-unwelcome Kissinger was himself placed on PFIAB.

Kissinger and Andropov against the SDI

The year 1983 marked even more intensive political warfare between Kissinger and LaRouche, when on March 23, President Reagan adopted the LaRouche-authored “beam weapons” policy later named Strategic Defense Initiative, despite a full-scale attempt by Soviet leader Yuri Andropov and the KGB to stop this from occurring. Soviet countermeasures after the speech were varied and increasingly desperate. In April 1983, the German weekly *Der Spiegel* carried an interview with Andropov offering a global condominium, which would cede the Western Hemisphere to U.S. hegemony, while leaving Europe, Asia, Africa, and the Middle East as potential areas for Soviet hegemony. This “Andropov Doctrine” is the cornerstone of the condominium arrangements of the Kissinger-directed Bush administration, especially since the Malta summit.

However, President Reagan did not immediately drop SDI in favor of such “balance of power” arrangements, despite the urgings of such Kissinger cronies as Secretary Shultz. By the autumn of 1983, starting when the Soviets shot down KAL 007, and escalating from there, the Soviets applied massive psychological pressure to make the Reagan administration “blink.” Kissinger-linked forces within the Reagan administration led the capitulation to this pressure, ousting William Clark from his position as National Security Adviser, and breaking off all direct contact with Lyndon LaRouche and his associates at *EIR*.