

The making of John Connally

Presidential candidate woos Zionists at New York event

On April 5, 1979 Republican presidential hopeful John Connally met behind closed doors with the leadership of the American Jewish Committee at their headquarters in New York City. The meeting had been arranged by Rita Hauser, a leading Zionist, a founder of the warhawk Committee on the Present Danger, and a director of the American Ditchley Foundation, one of the most prominent planning groups of Anglo-American geopolitical strategy.

Hauser has been seeking extensive exposure for Connally among New York Jewish and Zionist circles, hoping to get their political and financial backing for his campaign. But as the material below makes clear, Hauser's main interest is to wield the Connally campaign against that of former California Governor Ronald Reagan. Once Reagan is out of the way, Hauser and her associates at the Council on Foreign Relations, at Ditchley, and in the Bilderberg group intend to field General Alexander Haig.

Haig is intended to appear as the strongman candidate for war abroad and austerity at home. The London gameplan for putting Haig into the White House was voiced by Fletcher School of Diplomacy Professor Scott Thompson in an interview published in this magazine recently.

Thompson, a member of the London-based International Institute of Strategic Studies and a close friend of Haig's, declared it would take a crisis atmosphere to sell the general to the population. Scott said that an "eyeball-to-eyeball" confrontation with the Soviet Union would help Haig appear as "the man on a white horse."

But Connally's behavior at the American Jewish Committee meeting showed that he is anxious to convince Hauser's associates that he can fit the bill as well as Haig. Connally wants to appear tough enough to wage trade war against Europe and Japan, steal Mexico's oil and gas reserves, impose domestic austerity, and "confront the Soviets." And if his words sound faintly like that of a former Secretary of State, Connally boasted to some of the meeting's participants that he is good friends with Henry Kissinger.

We produce here some excerpts of the meetings and the cocktail hour that followed. *Executive Intelligence*

Review is offering the full transcripts of the meeting and tapes of the event for \$50.00. The tapes were made available to this news service by a participant who was shocked at Connally's behavior.

What Connally said

On SALT: We negotiate out of weakness ... We divide ourselves before we even start.... All the SALT agreement is going to do is lead the American people to think we have a recess, so to speak, that we have a period of arms limitation....

The thing that worries me about a SALT agreement is that we're going to lull ourselves into a sense of false security. We've been known to do that, particularly when there is pressure on us from all sides for money.... We are going to have to be alert, and vigilant, we're going to have to continue to be aggressive, and frankly we are going to have to have a good defense establishment in this country.

On taking the dollar off the gold standard: Let me try to recreate the scene in 1971. In May of 1971, the international monetary system became extremely volatile. This continued all through the summer of 1971. I thought we were approaching a crisis—which we did.

We'd been talking about it all summer and finally on the weekend of August 15 and 16, the President made his decision on what he was going to do and a fierce debate has been raging over the consequences...

Remember, in 1971 we closed the gold window.... We had said to the nations of the world, "If you hold dollars, we will commit to you and ... we will redeem those dollars in gold whenever you want...."

We redeemed a few million from time to time. In 1971, when we were confronted with what I thought was a crisis then, we had approximately \$10 billion in gold in the treasuries of this country and \$17 billion in the hand of foreign governments. There wasn't any way we could redeem their dollars in gold just on the basis of 12 percent, 12.5 percent, and 13 percent. So we decided to close the gold window, and we simply said if you hold dollars, "We're not going to redeem them...." A great many economists said during the time these discussions were taking place, "If you do

this, you will trigger a massive depression that will be far more pervasive than the depression of the 1930s...."

On balancing the federal budget: I do not support the constitutional amendment Jerry Brown supports. I do support a constitutional prohibition against deficit spending at the federal level, provided with an exception in it that it can be lifted by the President and/or the Congress anytime they want to declare an emergency....

I think the Congress has failed to live up to its responsibilities in trying to provide any type of intelligent fiscal management of our affairs....

On his business relations with Saudi Arabians: For every Saudi I know, I know 100 Jews, so I am 100 times more nonobjective on behalf of the Jews than I am on behalf of the Saudis.

So you know a few Arabs, I do. No question about it, I know a few and I represent a couple, my firm does. But we represent scores of Jewish clients. The idea that you can't know people without being taken over by them is foreign to me. I know good people, bad people, black people, brown people, rich people, poor people....

On Energy: We have to make up our minds that the days of abundant and cheap energy, abundant sources of oil and gas, are over. Energy is going to be expensive; we are going to have to be thrifty with it; we are going to all have to be part of that thrift. We better make up our minds that we have to find alternate sources of energy, and the faster we do, the better off we are.

On Jerusalem: Jerusalem is going to be as big, if not a bigger issue, than the creation of the Palestinian state. Here again, all of us have to face that we may be years in reaching a broader agreement in the Middle East than we now have... and it's not going to be my position to try to dictate an answer....

Prime Minister Begin has said very clearly what he thinks in respect to the West Bank. And if that is his position, if the Israelis maintain that position, then I think the negotiations will be long and difficult....

Behind every good man...

Rita Hauser of the law firm Stroock, Stroock, and Lavan made clear her intention to use Connally's ambitions against Reagan during a cocktail party sponsored by the American Jewish Committee. This interview was made available to the Executive Intelligence Review:

Q: I thought the Governor was extremely interesting.

Hauser: Thank you, I think he did an extremely good job. He was forthright, he's intelligent.

Q: Do you think he's doing well enough to top Reagan?

Hauser: He's doing beyond our wildest dreams. Reagan is defending. ... I've known him for years and years, and I like him and one of my main motivations was we've just got to kill Reagan! There's no way we can

nominate Reagan, and he has every possibility of defeating him.

Q: Do you see his policy as consistent with those of the Committee on the Present Danger?

Hauser: Yes. I was one of the founders of that. Very much. He's not ready to say publicly that he would go for or against the treaty, but he's made his reservations very clear. I think the consensus now is, as the treaty is now drafted, it will not pass the Senate. If it passes, it will pass with major reservations which will have to go back to the Soviets. And I doubt that they would accept it with those reservations.

Q: Do you see Governor Connally as being able to deliver the Saudis and Mexicans...?

Hauser: That's what I had hoped. When the Saudi question was asked, I was hoping he'd go a little further. He hinted at it. He knows them, he likes them, he can do business with them. But I would have liked him to expound more on this.

Q: How do you bring the Saudis along?

Hauser: By American military presence in the area. I think that's what is important to the Saudis.

Q: On the other hand, they make a lot of noise that they don't need anybody.

Hauser: They would like to see a military presence by the United States in the area.

Q: Do you think John Connally could bring a military presence into the Middle East?

Hauser: If he were President, I think he would have.

Such good friends ...

This interview took place at a cocktail party sponsored by the American Jewish Committee during which John Connally mentioned in passing his relationship to Henry Kissinger and Rita Hauser:

Q: When did you first meet Rita Hauser, Governor?

Connally: Oh, I don't remember, I've known Rita for years. She's smart as a whip.

Q: How do you get along with Henry Kissinger these days?

Connally: Great!

Q: There are a lot of rumors that you've had trouble with him.

Connally: Na, Na. We get along fine, as a matter of fact. I saw him recently and (we) had dinner two nights in a row in Mexico, in the last month. We're great friends.