

U.S. REPORT

NATO Admirals send U.S. a message

Orient to high-technology export policy

The fourteen European naval admirals of the NATO command arrived here at the headquarters of Supreme Allied Commander, Atlantic (Saclant), U.S. Admiral Harry D. Train, early in September for a classified briefing on "NATO Maritime Security." Instead, they issued a virtual ultimatum to the United States.

Europe, they announced, no longer trusts the "strategic capability" of the economically declining United States. Unless the United States embarks with speed on a major industrial export-profile international development policy, they said, Europe, led by the Federal Republic of Germany, will be forced to bolt from the NATO alliance and reach an "accomodation" with the Warsaw Pact.

Observers at the meeting, which included high advisors to several 1980 U.S. presidential candidates, called this "the major underlying issue shaping the presidential campaign." Presidential hopefuls Senator Edward Kennedy and former Texas Governor John Connally were said accordingly to be hurriedly composing foreign economic policy positions which could "win the confidence of Europe in American leadership" in the fields of international and U.S. domestic economic growth.

Observers also noted, however, that U.S. Labor Party chairman and 1980 presidential candidate Lyndon H. LaRouche, Jr. had been the leading proponent of a "West German"-style export policy for the U.S. LaRouche's edge dates from July 1978 when he collaborated with West German Chancellor Helmut Schmidt and French President Giscard in the founding of the European Monetary System to finance U.S.-European cooperation in Third World development. "Kennedy and Connally are being forced by the Europeans to converge on the LaRouche program," a USLP spokesman stated flatly.

In any event, the European initiative appears to have sealed the coffin of the abortive presidential campaign of ambitious but intellectually overrated General Alexander Haig. Haig, along with his mentor Henry Kissinger, was solidly panned for his hard-line assessment at a September meeting in Brussels held by the Georgetown Center for Strategic and International Studies. But even earlier, despairing "Establishment" observers had begun to worry that Haig's inability to articulate a policy on any issue other than his stock,

"get-the-Soviets" speech, ruled him out as a viable presidential vehicle.

Saclant Admiral Train was blunt in his opening remarks. "Gentlemen, I cannot hide from you the deficiencies in the naval budget of the United States," he said, and went on to detail what observers characterized as the "strategic decline" of NATO's sea power. There has, over the past five years, been virtually no planning for the naval protection of NATO shipping and trade generally, Train admitted, so that "when the whistle blows" in the event of war with the Warsaw Pact the trade of the NATO nations would be crippled.

The European naval commanders were equally blunt in their response. "The navy of the Federal Republic, confined to the Baltic as it is, is a lake force and has depended on assurances from the United States," the West German admiral said. "Now we cannot trust these assurances. The United States and NATO must reach an accommodation with Moscow." Not only must SALT II be concluded immediately, he urged, but SALT III and further arms reductions must proceed as speedily as possible.

The West German delegate was strongly seconded by French Admiral Jacques Bonnemaison, who attended as an observer, although France is not integrated into the NATO military command. "The French are acting totally outside the alliance," one observer from Georgetown University's Center for Strategic and International Studies (CSIS) fumed.

The consensus of the European admirals was that the United States, in order to give Europe "a basis for remaining" in the alliance, must embark on a serious program to strengthen its international "economic clout," beginning with the kind of export program that will show a strong U.S. presence in the developing nations and stimulate lagging capital formation at home. "Norwegian ex-Minister of Defense Grieg Tidemann put it to me most clearly in Europe last month," the CSIS observer said. "Europe is not worried about short-term financial gains they get in beating America out of export markets when we are weak. They want us strong, and figure that if we export cooperatively we will increase the aggregate export market altogether. It's a strategic question."

Several continental European shipping industry

leaders, especially in Norway and West Germany, expressed the identical view, he said.

Campaign realignment

As a result, Eastern Establishment and Zionist lobby circles are quickly coalescing around a Kennedy/Connally race for the 1980 campaign. Think-tankers from the Georgetown Center for Strategic and International Studies and from the Johns Hopkins School for Advanced International Studies, who serve as advisers to the Kennedy and Connally camps simultaneously, acknowledged to this news service that they are preparing for a Kennedy/Connally race and will be directing policy for both "sides."

Said one Georgetown adviser in an interview this week, "Carter is out. He has failed on the foreign trade issue and on leadership. And the Europeans are scared silly of Ronald Reagan and his anti-Soviet crazy talk." A Johns Hopkins man elaborated: "Kennedy will be able to stop the European perception of declining leadership. He hasn't lost the imperial taste of his brothers. (He will) be perceived in Europe as a strong leader."

In a highly unusual move, the Treasury Department announced this week, on White House orders, that the "undeclared" Kennedy will receive Secret Service protection. Protection has not been assigned to any declared candidate, most notably, Lyndon H. LaRouche, Jr., whose official request for protection has been refused, despite Treasury Department officials' knowledge of the jeopardy his life is in from the same Permindex networks that murdered John F. Kennedy.

It should also be remembered that Kennedy is exempted by the Federal Election Commission from the strict \$1000 limitation on single contributors to his presidential campaign. The FEC declared earlier this month that since the "Draft Kennedy Movement" had filed under the FEC, it would not be held to the same rules as declared candidates.

As expected, the United Autoworkers hastily abandoned a standing policy of neutrality in the Democratic race to allow local and regional UAW sections to provide manpower and organization for "the candidate of their choice." This means Kennedy, as UAW president Doug Fraser bluntly pronounced the senator "the overwhelming favorite candidate among UAW members."

No sooner had the go-ahead been given than Iowa UAW head Chuck Gifford, who is also a member of the Democratic National Committee, announced that the Iowa UAW will begin campaigning for the Massachusetts liberal.

Bringing up the rear in the Kennedy parade is the noncandidate himself, whose vulnerability, despite all the hoopla over the polls, is demonstrated by the recent sweep against pro-Kennedy candidates in Connecticut. In an interview yesterday with the New York Times,

Kennedy effectively acknowledged that his strategy is to announce after November's off-year elections, to prevent tarnishing his campaign by association with local pro-Kennedy front men for drugs and organized crime who are destined to be turned out of office.

At the same time, a tremendous infusion of Kennedy and Connally money is being funneled into the Florida "beauty contest" primary, to detract attention from the expected forthcoming LaRouche upset in New Hampshire, a fear of which Kennedy bitterly complained in his own circle.

New trade proposal

Speaking as insiders, the Georgetown and Johns Hopkins policy planners said that a "new foreign trade proposal" will be the keystone for both the Kennedy and Connally campaigns. A group of leading figures from the Business Roundtable and Zionist lobby banking houses such as Kuhn Loeb have seized the issue of trade to highlight Jimmy Carter's disastrous performance in this area. The Kennedy and Connally point men also hope that loud cries for more trade will help counter the impact of Lyndon LaRouche's campaign platform for U.S. entrance into a new gold-backed European Monetary System and for a federal credit-fed export boom for the United States.

But scratch the surface of this new tack for foreign trade and one finds the same people who have orchestrated the near decimation of United States industrial exports.

First there is Connally himself, whose decision to take the dollar off the gold system in 1971 marked the beginning of the downward trend. Second, one of the unofficial project leaders for this "New Design" is Jimmy Carter's own campaign adviser Robert Strauss, the Special Trade negotiator who has declared war on America's trading partners. As one observer at Georgetown put it, "Strauss is working closely with us on our International Trade Project, and he'll still be around when Kennedy gets the nomination."

Another trade adviser is Fritz Kraemer, the obscure gentleman at the Department of Defense who "created" Henry Kissinger.

Sen. Lloyd Bentsen of Texas, who has demanded protectionism throughout his career, is also working with this new trend. Although he is being mooted as Kennedy's vice-president on the Democratic ticket, a Georgetown man explained that "Bentsen is very close to Bob Strauss. Of course, Bentsen and Strauss are very close to John (Connally) too."

Asked whether Connally's call for a protectionist trade boycott of Japan, and Europe's dislike of the man for his 1971 actions, would not hinder Connally's credibility, a Johns Hopkins man laughed, "That's not important. He can change his position overnight."

—M.B. Seidenfeld and C. Tate