

Kissinger ponders 'intractable situations'

by Stanley Ezrol, Washington Correspondent

A political organizing drive for "painful adjustments" in the international social, political, and economic order was launched at a two-day conference of high-level right-wing oligarchical strategists in Washington on Sept. 20 and 21. The conference, appropriately titled, "Threats to the Industrial Democracies in the 1980s," the fifth in the international oligarchy's nine-year old "Quadrangle Series" was hosted by the solidarist Georgetown University Center for Strategic and International Studies think tank and sponsored by that institution in conjuncture with the Paul-Henri Spaak Foundation of Belgium. It was attended by 250 leading corporate executives, academics, think-tankers, parliamentarians, diplomats, and government executives from three continents.

It was chaired by U.S. Special Trade Representative William Brock, a former chairman of the Republican National Committee and a member of Reagan's cabinet, in conjunction with European Community Commission Vice President Etienne Davignon, author of the notorious "Davignon Plan" for dismantling the European steel industry; Edward Lumley, Canada's Minister of State for Trade; and a former Japanese finance minister, economic adviser to the People's Republic of China, and leading member of the international neo-fascist Club of Rome cult, Saburo Okita.

In addition to Brock, President Reagan was represented at the conference by Secretary of Defense Caspar Weinberger, and Deputy Secretary of State Walter Stoessel, who spoke at conference panels; and National Security Council Chairman William Clark and United States International Communications Agency Director Charles Z. Wick, who

both delivered personal greetings to the conference from Reagan. Clark concluded the conference by announcing, "I am not speaking for myself, I am speaking for my boss, the President. I want to commend the Center for Strategic and International Studies, and this conference. We need you, your analyses, and the organization that brings you together here today." He then requested the audience to give a standing ovation to CSIS's President, David Abshire, who is widely rumored to be under consideration as Clark's replacement.

The conference speakers and attendants comprised one of the most important concentrations of internationally significant political operatives to assemble in Washington in the recent period.

Some of the more prominent panelists were former Secretary of State Henry Kissinger; Brian Beedham, foreign editor of the London *Economist*; Dieter Spethmann, Chairman of the Board of Thyssen A.G.; Peter Flanigan, Managing Director of Dillon, Reed & Co.; Robert Hormats, until recently Assistant Secretary of State and the organizer of the U.S. position at each of the last eight advanced sector economic summit meetings; former Chairman of the Democratic National Committee and current leader in Averell Harriman's faction of the Democratic Party, Robert Strauss; former Ambassador to Great Britain and current chairman of the President's Foreign Intelligence Advisory Board Anne Armstrong; Leo Cherne, Vice-Chairman and former chairman of the FIAB and reputed mentor of Director of Central Intelligence William Casey; Sen. Charles Percy (R-Ill.); Chairman of the Senate Foreign Relations Committee, Sen. John Glenn

(D-Ohio); Sen. Sam Nunn (D-Georgia); Federal Reserve Board Governor Henry Wallich; Willard C. Butcher, Chairman of the Board of Chase Manhattan Bank; Otmar Emminger, former President of the central bank of the Federal Republic of Germany; and André Fontaine, editor-in-chief of the leading French newspaper, *Le Monde*.

'A new order under the heavens'

The conference keynote address was delivered by international Freemasonic leader Dr. Henry Kissinger, who placed the entire conference discussion in the context of the mystical belief, common in oriental and pagan cults, as described in Lyndon H. LaRouche's latest book, *The Toynbee Factor in British Grand Strategy*, that the world is now about to shift from a period of chaos to a period of order, as it has done in inexorable, cyclical fashion from the beginning of time. Kissinger opened his speech with a Chinese cult slogan, associated in the modern period with Mao Tse-tung, "There is turmoil under the heavens, but the situation is excellent."

In the course of his address, he described how the international situation, region by region, was deteriorating markedly. He described the Middle East situation, calling the recently revealed massacre of Palestinians by Falangist troops "deplorable," but announced that, "despite all of this," he thought there was the best opportunity ever to force Jordan and others to adopt the U.S. approach, as elaborated by President Reagan on Sept. 1, to establish a new order in the region. He described the conflict in U.S.-European relations over how to handle trade and credit policy toward the Soviet Union. Acknowledging the difficulties caused for the Western alliance, he said, "Now it must be seen . . . whether we can use the pipeline crisis to develop a fundamental agreement among the industrial democracies. . . ."

Turning to the question of Latin America, Dr. Kissinger asserted, "Of all the areas of the world, this is the one that may present us with the most intractable situation. . . . We have seen in Mexico the impact of the economic crisis on the policy orientation of a country and the temptation to use foreign opponents as a means of rallying opinion. . . . In the wake of the Falklands Islands situation, many Latin American countries are undergoing a re-examination of their orientations. . . ." He noted with alarm that this was true in all political circles including the military and both moderate and radical civilian circles.

Kissinger then explained his view of the overall question of North-South economic relations, saying, "Few people invite me to speak about economic problems, to their great loss. . . . I think that the confusion of domestic debt with foreign debt is going to prevent any serious examination of the problem. . . . The argument that foreign countries can be made creditworthy by austerity measures of the type you might ask of a domestic borrower misunderstands the nature of many developing countries. . . . The imposition of International Monetary Fund conditionalities may be a cure worse than the disease. . . . They may bring about instabili-

ties. . . . They may bring about revolutionary conditions, or they may create a kind of cynicism in which the conditions are accepted and never carried out. . . ."

Dr. Kissinger confessed that he had no solution to this problem, but announced, "I do know that some kind of new financial structure, something like the Bretton Woods understanding, must emerge. . . . If this does not happen, it will lead, sooner or later, to an unmanageable loss of confidence. . . ."

A carrot and stick routine

Several conference participants, including the recently retired director of Her Majesty Queen Elizabeth II's diplomatic corps, Sir Michael Palliser, and former Bundesbank head Otmar Emminger took strong public exception to this suggestion, but Dr. Kissinger's position is based on the age-old "carrot and stick" strategy for manipulating Third World and advanced sector forces into the same basic sort of international austerity regime which the ardent supporters of the IMF wish to impose. The only unique element in this "frank dispute" between Dr. Kissinger and his associates is that in this situation, after several visits to Latin America over this past spring and summer, he is offering himself as the soft carrot to be nibbled on and allowing his friends, Henry Wallich of the Federal Reserve and Otmar Emminger, formerly of the Bundesbank, to beat his adversaries with sticks while Willard Butcher, the Chairman of Chase Manhattan Bank snaps wet towels at them.

The nature of Kissinger's concern was revealed several days later by CSIS "expert" on Brazil, William Perry, speaking at another CSIS conference. Asked by this reporter about the possibility of the formation of a Latin American "debtors' cartel" against the IMF, Perry, who is reputed to have organized Kissinger's recent trip to Brazil and acts as his intermediary with certain political circles there, answered, "The Brazilians, who would be needed to make that work, are reluctant to enter that. . . . They would like to be in a position to benefit from what credit might be available. . . ."

Thus, Kissinger opposes overly harsh IMF conditionalities as a bribe to attempt to prevent the potential coalescence of a solid block of Third World opposition to the IMF.

Kissinger concluded his address with a second oriental quote, attributed to his dear friend, Lee Kuan Yew, the Prime Minister of the British opium-smuggling outpost, Singapore. "If there is turmoil under the heavens, little problems are dealt with as if they are big problems and big problems are not dealt with at all. When there is order under the heavens, big problems can be dealt with and little problems are viewed in their proper perspective. At this moment, I would suggest, we have a unique chance to create order under the heavens."

In the sequel to this article, we will present details on presentations by Henry Wallich, Otmar Emminger, Willard Butcher, and others on the debate over the tactics to be used in establishing this proposed "New Order."