

## The campaign trail as a yellow brick road

by Criton Zoakos

The State of the Union message is perhaps best characterized by the fact that the President of the United States was, for whatever reasons, persuaded by his advisers that the best way of preventing Walter Mondale or any other of the KGB-preferred Democratic presidential hopefuls from winning this year's election was to present to the American people a fantastic, fairytale image of themselves, their nation, and their affairs over the past three years. What the President said, during the evening of Jan. 24, 1984 before the traditional bicameral session of Congress painted a canvas of America worthy of the strokes of Norman Rockwell.

Apparently, the presidential advisers and speechwriters are persuaded that the American electorate will prefer, come November, Mr. Reagan's Norman Rockwell to Mondale's (or some other KGB-preferred Democrats) Pablo Picasso. What though if Mondale, between now and November, selects to run under the brushstrokes of the "socialist-realist" style?

Contrary to President Reagan's State of the Union message, the American economy is not going through any recovery, let alone its "strongest recovery." Through no fault of President Reagan, our productivity rates are still declining, our traditional heavy industries are still gutted, our capital plant and equipment is still antiquated, our machine-tool sector is almost wiped out, our farmers are being bankrupted faster than ever before. Our population is growing older, not younger, and is giving birth to fewer and fewer children. Only 17 percent of our 100 million-plus labor force is gain-

gainfully employed in the manufacture of tangible, usable goods, as compared to 64 percent in the immediate post-war period.

What appeared as a recovery during 1983 was a Federal Reserve Board statistical fraud backed up by a financial accountants' euphoria which was fueled by the inflow of \$160 billion financial assets from Latin America and another \$150 billion from Western Europe. A capital flight of over \$300 billion into the book balances of the U.S. banking system, attracted by our abnormally high interest rates caused the illusion of financial well being and produced an irrationally high-priced dollar. But our economy failed to produce those amounts of tangible, useful products which alone could have justified such optimistic claims.

Contrary to what the President said, the performance of our economy has been rotten through and through, and a financial collapse has been avoided only because of the extensive financial looting of Western Europe and Latin America, a financial looting carried out by the policies of the International Monetary Fund and the Bank for International Settlements to which the White House has timidly acquiesced.

This acquiescence to the IMF's policies is the Achilles heel of President Reagan's electoral strategy. It is being played, and will continue to be played, by his enemies. The President's acquired "blind spot" in this matter ought by now, to be addressed with the urgency of a major national security concern.

This publication also disputes the President's assertion

that the defenses of the republic have been upgraded to a level adequate to now restrain the Soviet challenge. On the basis of known facts, the President's assurances might perhaps be true a year or two from now, if our adversaries and their circumstances were not those who are now in control in the Kremlin but, say, some benign version of the Brezhnev regime of the pre-1976 period. The current Soviet strategic challenge to the West rests on the foundation of two facts: First, the Russian military leaders have settled on and accepted a prediscouted level of national population and logistical losses in the event of thermonuclear confrontation; second, they are to proceed with that confrontation at the approximate moment they have sprung a strategic surprise, in the form of last-minute deployment of new weapons systems calculated to tip the military balance at the moment in which the confrontation is launched.

Thus, we share neither the economic optimism nor the military optimism in the form presented in President Reagan's State of the Union message.

Included in our concern is the time-bomb embedded in the President's call for a "bipartisan approach" to cutting the budget deficit by \$100 billion. Before the FY1985 defense budget has been presented, the surfacing of this bipartisan budget cutting offer opens up a whole series of problems which are bound to grow rapidly as the electoral campaign heats up. Those who pressured the President to adopt and present this particular proposal, against his own best judgment in the matter, as we are told, know something which he is not told and, in luring the President in this direction, they are acting in collusion with the KGB-preferred pack of Democratic hopefuls and their stringpullers around Averell Harriman, Democratic National Committee (DNC) Charles Manatt, and AFL-CIO president Lane Kirkland.

### **The LaRouche campaign**

The LaRouche candidacy for the Democratic presidential nomination should be viewed against the background of this attempt by the Harriman, Kissinger, and related circles to capture the campaign posture of President Reagan's re-election effort. It is notable that even as the President was giving his State of the Union message, The LaRouche Campaign offices were still being inundated by telephone calls and letters in the high thousands, initiated by citizens who wished to register their agreement and offer their help for the National Emergency Mobilization which Mr. LaRouche had proposed in a nationally televised half-hour address on CBS-TV on Jan. 21, three days before the President's State of the Union message (see transcript, *EIR*, Jan. 31).

Mr. LaRouche's presidential nomination campaign is flanked by a huge number of other electoral campaigns for federal, state, and local office, all of which are outspokenly against the official policies of Charles Manatt's and Averell Harriman's Democratic National Committee. So far, there

are over 2,200 such LaRouche-affiliated candidacies, and the number is expected to swell to 10,000 by early summer. In short, Mr. LaRouche has been able to mount a formidable challenge to the DNC's self-deluded and self-contained clique management of the Democratic Party. Contrary to the systematic blackout of Mr. LaRouche from the "mass media," his challenge now is seen, in the eyes of Manatt, Harriman, Kirkland, and Mondale as a "clear and present danger" to take party leadership and party loyalties away from their bankrupt policies.

The more LaRouche and the LaRouche-affiliated campaigns succeed in instilling leadership and inspiration in the traditional Democratic constituencies, the less will Harriman, Kissinger, James Baker III, and their assorted ilk be able to capture President Reagan's campaign strategy—and actual policy during the election period. For this reason, this crowd, let us call it the appeaser crowd, whose influence spans both major parties, is deploying its efforts to simultaneously derail President Reagan and to silence Lyndon H. LaRouche, Jr.

The LaRouche Campaign's distinct contribution to this year's electoral fights is to provide the reality perspective so as to oblige candidates as well as voters to face up to the real, as opposed to the "perceived" issues and problems of the present world crisis. Mr. LaRouche has made it clear that he is interested primarily in presenting the bare facts of the world strategic crisis and the world economic and financial crisis to the electorate, together with his proposed programmatic policies, rather than in entering a popularity contest per se. This makes his campaign a highly unorthodox one by recent standards. Going against the grain of political pros' "conventional wisdom," Mr. LaRouche, it appears to us, has succeeded in matching an exceptional national and world crisis with an exceptional electoral strategy. His first nationally televised address, focussed on the international strategic crisis and the persisting military vulnerabilities of the United States, has set off a succession of political shock waves in the Democratic Party and other circles as far away as Moscow.

### **The IMF gambit**

The sense of unreality evident in President Reagan's Jan. 24 address should be evaluated together with the Jan. 25 decision of the Federal Election Commission to deny matching funds to The LaRouche Campaign. As the one dissenting commissioner, namely, the chairman of the FEC, pointed out in her dissenting opinion, the FEC denied LaRouche his matching funds by abandoning its hitherto honored practice of basing its decisions on "objective criteria" and adopting for the first time a set of arbitrary and subjective criteria for "eligibility to receive federal matching funds." (See article, page 55.) A unique candidate, receiving a unique treatment by a bunch of arbitrary bureaucrats?

Hardly! The majority of the FEC commissioners acted in

collusion with DNC chairman Manatt, Walter Mondale, and Lane Kirkland in an effort to silence LaRouche.

What does LaRouche know that these fellows wish to keep suppressed? Essentially, he knows what their "end-game" will be to defeat President Reagan in November. That piece of strategy, let us call it their "IMF gambit," has to do with President Reagan's most significant vulnerability, which induces him to imagine that the U.S. economy is undergoing a "recovery."

LaRouche knows, as the DNC and AFL-CIO appeasers know, and as the top Soviet leadership know, that President Reagan is being set up for a financial disaster of 1929 proportions some time before the November elections. For those who have been following the Federal Reserve-perpetrated "economic recovery" fraud, the dramatic growth of indebtedness both in the Eurodollar markets and in our domestic capital markets, the current actions of the International Monetary Fund, the Bank for International Settlements, the Organization for Economic Cooperation and Development (OECD) and the New York banking community lead to no other conclusion than that these circles are setting up the United States for a financial crash of the type which once produced Herbert Hoover's crushing at the polls.

Some of the financial and banking circles involved in this filthy deal would like to believe that their financial hide will be rescued if the President is pressured to gut his FY1985 defense budget—their panacea for avoiding the crash. Nonsense! Contrary to the financial pundits' pronouncements on the matter, the first signals of a further weakening in U.S. defenses will set off an avalanche of "decoupling" maneuvers in Europe, the Middle East and Asia which will as quickly produce a financial crash. The option available to this country under this combined national security and financial crisis is to proceed with the type of national emergency mobilization outlined in LaRouche's Jan. 21 televised address.

As matters now stand, both the President's and his chief DNC-sponsored rivals' campaign strategies are bound to be crushed by the quickening march of events. Known to very few among Washington's political pundits is the fact that the Soviet government is finely tuned into the daily and hourly ups and downs of both financial policy, especially as it pertains to the Latin American debt crisis, and the U.S. budget debate. Contrary to popular belief, the Soviet government has numerous and formidable financial strings which it can pull—a capability which can be multiply augmented if coordinated with allied efforts of Swiss and London financial interests (See EIR, Dec. 27, 1983, and Jan. 3, 1984).

Should this financial plug be pulled, either the United States goes down the tubes militarily and economically, or the country finds the moral strength to carry out the national emergency mobilization proposed by LaRouche. If this latter occurs, the nation's political map will be altered beyond recognition. There will no longer be a Manatt-Mondale-Harriman appeasement wing in the Democratic Party.

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## Documentation

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# The world responds to urgent TV message

*Lyndon H. LaRouche's televised call for a U.S. national defense emergency mobilization Jan. 21 prompted an immediate response from the international press. A Spanish wire service carried an accurate summation of Mr. LaRouche's statements which was reported in leading Ibero-American newspapers; the U.S. Defense Daily reported LaRouche's warnings on U.S. vulnerability to the Soviets.*

*Those opposed to LaRouche's proposed defense mobilization did not wait long to respond. The New York Times emphasized the reluctance of CBS television to submit to federal law and allow a qualified candidate for office to make a statement without their "editorial discretion over such broadcasts." Regional papers in Massachusetts, Washington, and elsewhere published a mixture of slurs and factual reports on the candidate's proposals. The New York drug lobby's throwaway *Our Town* and the *New Republic* printed outright slanders; *Our Town* ended its article with a threat from Dennis King, who has made a career of slandering LaRouche for the New York drug lobby: "the end is in sight for LaRouche."*

### Ibero-American coverage:

**The Spanish news agency EFE, Jan. 22:** Lyndon H. LaRouche launched his candidacy for the Democratic Party presidential nomination last night with a half-hour television program. LaRouche, a 61-year-old economist who never has held public office, devoted most of his speech to alerting the American people of growing Soviet militarism. According to the Democratic candidate, "since Soviet president Yuri Andropov disappeared from sight five months ago, a military junta is governing in Moscow"

"The Soviet chiefs are focusing their growing military superiority to take over a good part of Western Europe and the Middle East," LaRouche added.

In his opinion, the Soviets are trying to provoke a nuclear test of force with President Reagan in the near future, which will be "much more serious and dangerous than the 1962 missile crisis." According to LaRouche, Moscow believes that President Reagan "will find himself forced to give in to Soviet demands under appeasement pressure from Walter Mondale, Averell Harriman and the *New York Times*"

In the face of what the Democratic contender considers a grave Soviet threat, he proposes that President Reagan orders

a national defense mobilization of the country like President Franklin D. Roosevelt did before the Second World War.

Last night's television program, paid for by The LaRouche Campaign committee, cost \$215,000, a little more than half of what has been raised [by the committee] up to now.

LaRouche was an independent candidate in the 1976 presidential elections and candidate for the democratic nomination in 1980. In the primary elections of the Democratic Party in 1980, LaRouche came in fourth with 1 percent of the vote, far behind Jimmy Carter, Ed Kennedy, and Edmund Brown.

He is the founder and director of *Executive Intelligence Review*, which is published in Spanish under the title *Resumen*. He is an economist by profession and is co-author of the "LaRouche-Riemann" econometric model. According to his advisers, this model permitted him to forecast the U.S. recession before it happened.

LaRouche is a proponent of a profound reform of the international monetary system, based on gold and centered on an international development bank. In his speech last night, he called for the United States to grant \$500 billion in low-interest loans to the developing countries.

*Ibero-American papers that carried this release included:*

**In Mexico:** The Mexico City daily *El Nacional* and four leading papers of the northern states of Mexico, *El Diario de Yaqui*, *El Norte*, *El Mexicano*, and *Novedades*.

**In Argentina:** The national wire service TELAM and the newspapers *El Tiempo Argentina* and *La Razon of Buenos Aires*.

**In Brazil:** The Brasilia daily *Correio Brazileense*.

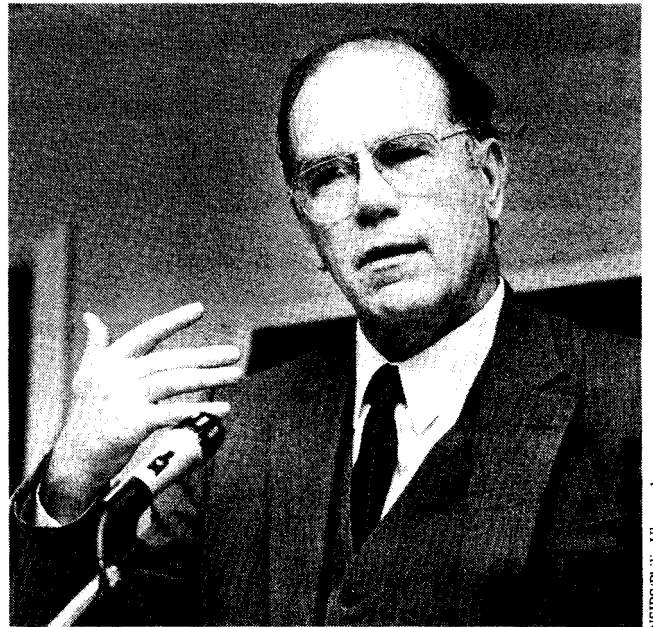
**In Venezuela:** *El Mundo*, the 200,000-circulation Caracas afternoon daily.

**U.S. press coverage:**

*The New York Times*, Jan. 22, under the headline "CBS Sells Time to Fringe Candidate for Talk": Lyndon H. LaRouche, Jr., a contender for the Democratic presidential nomination, has taped a speech for broadcast last night on CBS television, from which he bought half an hour of time. In the speech, said campaign officials, Mr. LaRouche warns that the Soviet Union is planning a nuclear confrontation with the United States in the coming months.

George Schweitzer, CBS vice-president for communications, said the network was prohibited by law from refusing to sell the time to Mr. LaRouche, from editing the program and from judging whether the speech was irresponsible. Federal communications law prohibits broadcasters from refusing to provide air time to paid political messages of qualified candidates for federal office.

In the past, Mr. LaRouche, who has run for President twice before, in 1976 and 1980, has argued that the United States and the Soviet Union were joined in a conspiracy



NSIPS/Philip Ulanowsky

*Lyndon H. LaRouche presenting his analysis of the strategic situation to a conference in Washington, D.C. in September 1983.*

against workers and warned of other conspiracies that he said involved the Carter administration, the Rockefeller family, major labor unions in the United States, the Israeli intelligence service, and the Queen of England.

In March 1979 Mr. LaRouche bought time on independent television stations to accuse President Carter of leading the nation to the brink of nuclear war, arguing that the United States was pursuing anti-Soviet policies designed by Britain. He urged economic cooperation with the Russians.

Melvin Klenetsky, national campaign director for Mr. LaRouche, from 8:30 to 9 P.M. was designed to warn that the Soviet Union was planning to provoke a "thermo-nuclear confrontation." Mr. Klenetsky said Mr. LaRouche was to call for a national mobilization to develop "beam weapons" and for new financial policies to create "low-interest credit rates." The LaRouche campaign, he added, had purchased the time from CBS for \$200,000.

"Lyndon LaRouche purchased the time, and he has the right to express himself in any way he wishes," Mr. Schweitzer of CBS said. "We have argued for years we should have editorial discretion over such broadcasts." . . .

Mr. LaRouche's publications in recent years have assailed a wide range of public figures, including Henry A. Kissinger, W. Averell Harriman, Jane Fonda, and Charles T. Manatt, chairman of the Democratic Party.

An NBC News magazine program, "First Camera," is preparing a report on Mr. LaRouche.

*The Wall Street Journal*, Jan. 24 Labor Letter: Wrong number? Top AFL-CIO staffers were called by backers of arch-

foe Lyndon LaRouche and urged to watch his TV address last Saturday in his bid for the Democratic presidential nod.

**Daily Evening Item**, Lynn, Massachusetts, Jan. 20: He wasn't born here, but Lyndon H. LaRouche, Jr., ultra-conservative minor party candidate, spent his formative years in Lynn.

In a television interview this week, the two-time White House candidate told *The Item* that Libyan strongman Muammar Qaddafi has put a contract out on him.

LaRouche, whose party has been officially declared a "cult" by the Citizens Freedom Foundation, an organization of families of cult members, brushed off the threat. "I get them all the time, this is just another one," said the 1940 English High graduate. . . .

In an interview earlier this week, the former ultra-leftist candidate who has swung sharply to the right and is written off as a "nut" or "scary" by some observers, described his current philosophy. He sums it up in four points:

A massive federal monetary policy to further strengthen the dollar based on an infusion of \$500 billion in gold into the banking industry keyed to spur investments in "idle farms and factories"

An "Apollo-style," \$200 billion crash program to deploy by 1988 a laser-based anti-missile defense.

Moves to shore up "gaping holes in our national defense," in the submarine and missile area, designed to bring the Soviets to the bargaining table.

A rescheduling and lowering of interest on the Third World debt owed U.S. banks to spur export-dependent jobs in the U.S. . . .

LaRouche called the eight Democratic candidates an "eight-pack" and criticized their collective views as a "Neville Chamberlain Memorial Society," in reference to the former British prime minister condemned for his "appeasement" policies towards Hitler.

**Seattle Post Intelligencer**, Jan. 23, under the headline "LaRouche Urges Fast Buildup": Lyndon H. LaRouche, Jr., a contender for the Democratic presidential nomination, warned in a televised speech Saturday night that the Soviet Union is moving towards a "global thermonuclear showdown in Europe, the Middle East and elsewhere." LaRouche, in a paid political advertisement broadcast on CBS TV, also said the Soviet Union "is deploying scads of terrorists into the United States" in part through KBG-controlled drug rings in Mexico. "A Soviet military junta has come to power over there," he said. "Since August, beginning with incidents including the shooting down of a Korean civilian airliner on Sept. 1, the Soviet rulers are moving step by step towards global thermonuclear showdown in Europe, in the Middle East and elsewhere. . . . The situation today in general is far worse than it was at the outbreak of the Berlin Crisis or the Cuba crisis under President John Kennedy."

LaRouche called for an "emergency defense mobiliza-

tion" and said the United States must launch a "\$200 billion crash program" to build "a first generation anti-missile shield by 1988." Melvin Klenetsky, the national campaign director for LaRouche, told the *New York Times* that LaRouche paid CBS \$200,000 for the half hour of air time. LaRouche, 62, (sic) who once headed a group known as the U.S. Labor Party, has run for President several times. He won 2 percent of the vote in his native New Hampshire in the 1980 primary.

**Defense Daily**, Jan. 24, under the headline "Candidate LaRouche Calls for \$200 Billion ABM Program": The United States should undertake a \$200 billion crash program to develop a "first-generation anti-missile shield by 1988" to defend against a potential first-strike that the Soviet Union is putting into place, maverick Democratic presidential candidate Lyndon H. LaRouche said in a 30-minute paid political television broadcast Saturday.

LaRouche, who ran for the Democratic presidential nomination in 1980, is head of the Fusion Energy Foundation, which promotes development of thermonuclear fusion energy development and supports development of directed energy beam weapons for anti-missile defense. Neither his self-proclaimed candidacy, whose platform seems aimed more at the conservative wing of the Republican Party rather than traditional Democrats, nor his fusion energy push has drawn any acknowledged consideration.

LaRouche warned that the Soviet Union has developed a first-strike capability so devastating that with 15 percent of its ICBMs and 40 percent of its SLBMs, the Soviet Union could destroy 90 percent of the U.S. ICBM force, 70 percent of the U.S. SLBM force and 80 percent of its strategic bomber force.

His figures are not far off from "worse-case" estimates that have been indicated by official sources, who acknowledge that the Minuteman ICBM force could be devastated by a first-strike, that B-52 bombers are vulnerable to SLBMs and that Poseidon/Trident SLBM submarines not at sea could be destroyed. However, they see protection of part of the force from the synergistic problems in attacking all the forces simultaneously.

LaRouche charged that the Soviets have walked away from the strategic arms control talks because they are not interested in and don't need arms control. He asserted that the one thing that the Soviets can do is to calculate the risks of a nuclear exchange, given the capabilities on each side, and declared that the Soviets "are prepared to risk thermonuclear war now."

He charged that by turning down the President's March 23 proposal to move away from offensive strategic weapons to a defensive posture, the Soviets showed that they thought they could win a war, and "they chose war."

LaRouche said that the President should declare a national defense emergency mobilization and initiate a crash \$200 billion ABM defense effort.