

George Pratt Shultz: The Vulcans' Godfather

by Scott Thompson

According to news accounts of Summer, 1998, a Bush family war council took place at their Kennebunkport, Maine vacation compound, where it was decided to make George Pratt Shultz (a high-ranking official in every Republican Cabinet since President Nixon's), head of then-Gov. George Bush "43's" Presidential Exploratory Committee. Shultz's deputy on the Committee, launched shortly thereafter, was former President Bush "41's" Secretary of Defense, Dick Cheney, who has since emerged as one of the most powerful Vice Presidents in history. Like Shultz, Cheney brought with him baggage, such as his 1990 Defense Secretary's brief advocating a Roman-style *Pax Americana*. Clearly, Shultz did not disagree, because almost every member of Bush 41's foreign policy team shared the post-Cold War mirage of building an "American empire." It was these two Anglo-American Establishment members of the Republican "Old Guard" who paved the way for Bush 43's successful Presidential campaign.

One of the first selections made by Shultz—who was himself then a Distinguished Fellow at the Hoover Institution among other positions—was of Condoleezza Rice, also a Hoover Fellow, who had just finished a term as Provost at Stanford. It was she who dubbed Bush 43's strategic policy team "The Vulcans," after a statue of the Roman god of metal-forging in the steel center of Birmingham, Alabama, her home town. (Some wags have suggested since, that she ought better to have dubbed the team "Martians," after the Roman god of war.)

Shortly after the Kennebunkport summit, Bush 43 visited Shultz's home in Palo Alto, California and approved the woman who was to be part "nanny," part "school marm," and today Presidential Assistant for National Security Affairs. With Condi Rice as the self-described "quarterback of the Vulcans," one of the first drafts by Shultz and Cheney was Paul Wolfowitz, Deputy Secretary of Defense. Wolfowitz, as a member of the Cheney Defense Department under Bush 41, had argued loudly that the time was ripe for a *Pax Americana* empire. Wolfowitz in turn is believed to have brought in Richard Perle, today chairman of the Defense Policy Board, having served as the highly suspect Assistant Secretary of Defense for International Security Affairs from 1981-87 in President Reagan's Administration.

Thus came together the followers of H.G. Wells who

would be the trainers and advisers of the current President, whom Lyndon LaRouche has called "a dupe from birth."

Shultz and the Pollard Affair

His role with "The Vulcans" makes it hardly surprising that as Reagan Administration Secretary of State, Shultz did everything within his power to halt the investigation of convicted "spy for Israel," Jonathan J. Pollard. As *EIR* reported, from well-informed U.S. intelligence sources, the reason Pollard has never been released from prison to Israel, lies in the sealed affidavit of Reagan's Secretary of Defense Caspar Weinberger. Weinberger attested that far from Pollard's main focus being Arab "enemies of Israel," he gathered the most highly classified material on the U.S. war-fighting strategy against the Soviet Union, which Israel then used for trading with the U.S.S.R.—e.g., for the release of Jews to Israel.

EIR learned from Pentagon and other U.S. intelligence sources, and published, that an investigation was ongoing, not simply to find the "Mr. X" director of Pollard's spying activities, but to identify an "X Committee" acting as a Soviet-Israeli "molehill" in Washington, telling Pollard what documents were available to be turned over to the Israelis.

Ironically, one of the foremost suspects in the "X Committee" was Richard Perle (a.k.a. "The Prince of Darkness). Perle, whose appointment as chairman of the Defense Policy Board did not require Senate approval, and who reports directly to Paul Wolfowitz, has been foremost among those arguing for war on Iraq, for U.S. occupation and takeover of Saudi Arabia's eastern oil fields, for a total break with the House of Saud, and for a purge of those American military chiefs who don't agree with him. Still, Shultz drafted Richard Perle as one of the first members of "The Vulcans," who held daily conference calls "to bring Governor Bush up to speed."

It was this investigation into the "X Committee" that Shultz, when Secretary of State under Reagan, had tried to nip in the bud. For this purpose, Shultz deployed the Legal Adviser of the U.S. State Department, Abraham Sofaer, who was a former Federal Judge nominated by President Jimmy Carter, and an alleged Mossad agent. Judge Sofaer had presided over the lawsuit brought by then-Gen. Ariel Sharon against *Time* for its straightforward coverage of the slaughter in Lebanon by Falange militia under General Sharon's oversight.

No sooner did Shultz tip Sofaer to try to bury the Pollard case, than Sofaer led a delegation in late 1985 to Israel to interrogate Rafael Eitan. Eitan had been the head of Lekem—the "off-the-reservation" technological intelligence unit that was believed to have been the Israeli counterpart of the "X Committee." Not only did nothing come out of this interview with Eitan, but, while in Israel, Sofaer—according to columnists Evans and Novak—gave an interview to the Israeli daily *Ha'aretz*, where he praised Sharon's invasion of Lebanon, Israel's bombing the Palestine Liberation Organization (PLO) in Tunisia, and its interception of an Egyptian airliner.



George Shultz (left) with Caspar Weinberger, in 1987. Shultz was instrumental in protecting Jonathan J. Pollard, who was convicted of espionage for Israel.

So, Shultz used an avowed advocate of Israel's fascist "Terror Against Terror"-style tactics, to cover-up the extent of the Jonathan Pollard espionage network. And, he rewarded Judge Sofaer by seeing that he is now a Fellow at the Hoover Institution, along with Shultz.

Other Treachery Against U.S. Interests

Shultz's personal disdain for the general welfare of U.S. citizens may originate with his background before entering high office. He was one of the first Secretaries of State, whose training had been largely that of a nerdy, cybernetics "time study" man. Shultz earned a Ph.D. in industrial economics from the Massachusetts Institute of Technology, where he also taught from 1948-57. He became Dean of the Graduate School of Business at the University of Chicago (1962-68). There Shultz was a "sherpa" for the likes of such "Chicago School" types as the Milton Friedman who followed in the footsteps of Nazi Finance Minister Hjalmar Schacht. A 1960 Shultz book that helped him obtain this job was *Management Organization and the Computer*, which peddled the fraud of artificial intelligence, and what became known as the late, great "Information Age."

Shultz served as Secretary of Labor in the Nixon Administration from 1969-70, and was then appointed Director of the Office of Management and the Budget (OMB). It was in the latter position, according to well-informed sources, that Shultz was one of the persons who strong-armed Treasury Secretary John Connolly to accept the 1971 decision to destroy the Bretton Woods monetary system. This process, especially, included dumping gold-reserve-pegged parities among currencies, to create the floating exchange-rate system. Of all the disastrous policies in the post-World War II era, this decision to destroy Bretton Woods did perhaps more than any other, to extinguish President Franklin Delano Roosevelt's success in reversing the Great Depression. In physi-

cal-economic terms, it has meant negative growth for the United States since 1971. It was critical in creating the current, accelerating, global systemic economic collapse. As a reward, the tragic Nixon appointed Shultz Secretary of the Treasury—replacing Connolly—where Shultz implemented austerity measures upon American citizens from May 1972 until May 1974.

In 1981 Shultz was made chairman of the incoming President Reagan's Economic Policy Advisory Board. In that position, he did nothing to reverse the ravages upon the physical economy—industry, agriculture, infrastructure—wrought during the previous Carter Administration by Federal Reserve Chairman Paul Volcker's usurious interest rates. Rather, Shultz embraced the New York Council on Foreign Relations' "1980s Project" work of 1976, which had called for "controlled disintegration."

In 1982, Shultz was promoted to become the 60th Secretary of State, and served until Jan. 20, 1989. Toward the end, following then-Prime Minister Lady Margaret Thatcher's advice that Mikhail Gorbachov was a "man with whom you can do business," Shultz proposed what was then known as a "global condominium" or "New Yalta" arrangement with Gorbachov. Ironically, by 1989, Soviet hardliners, fearing an impending economic collapse, were preparing for a potential "global showdown," and Gorbachov was Secretary General in name only.

Exemplary of the "New Yalta," is the case of the Middle East, where Shultz rudely rejected Israeli and other suggestions that an economic development program for the region ought to be the key component of negotiating political solutions. Taking a page from Zbigniew Brzezinski's "Arc of Crisis," Shultz carried out secret diplomacy, offering Israel the West Bank (which had been part of Jordan), plus a part of southern Lebanon, if Israel would grant Syria, which was then a Soviet satrap, the remainder of northern Lebanon. Thus, the map of the Mideast would be redrawn into a "Greater Syria" and a "Greater Israel"—an arrangement which left the Palestinians, with whom Shultz refused to deal, with nothing.

Since leaving office, Shultz has not changed his disregard for the general welfare. He teamed up with "British Golem" and mega-speculator George Soros to promote a series of referenda to legalize narcotics, making him truly the "Godfather of The Vulcans." Thus, in an Oct. 7, 1989, speech to the Stanford Business School, Shultz said that the time had come "to make it possible for addicts to buy drugs at some regulated place at a price that approximates cost. . . . We need at least to consider and examine forms of controlled legalization of drugs." Shultz's argument, in historical effect, has been for skyrocketing addiction wherever it has succeeded.

In semi-retirement in the Hoover Institution's ivory towers, Shultz has done very well indeed, giving economic advice to many companies gullible enough to accept it from the man who helped bring about their impending demise.

He is a member of the board of directors of Bechtel Group, Fremont Group, Gilead Sciences, Unext.com, and Charles Schwab & Co. He is also chairman of the International Council of J.P. Morgan Chase, which *EIR* analysts believe may have been taken under protection of the Federal Reserve after it nearly went under this year. For now, Shultz is being well rewarded for his years of servitude to the Anglo-American Establishment.

The 'Neo-Conservative' Problem

by Dr. Clifford A. Kiracofe, Jr.

In the last several weeks, EIR has reprinted, with permission, notable commentaries questioning war against Iraq, including articles by former U.S. National Security Adviser Gen. Brent Scowcroft, former Republican U.S. Rep. Pete McCloskey of California, and speakers at a conference of the National Council on U.S.-Arab Relations in Washington. The following comments by Dr. Clifford Kiracofe were made on Sept. 9 to that conference. Kiracofe, an historian who was a senior staff member of the Senate Committee on Foreign Relations, anticipated the contents of President George W. Bush's "neo-imperial" doctrine by several weeks. Further speeches from the U.S.-Arab conference will be covered in next week's EIR.

In June, I had the opportunity to visit Saudi Arabia and Egypt. It was instructive to be in the region again. The situation is dangerous and the gulf is widening between the United States and our friends in the region. I was pleased to meet and hear from such personalities as H.R.H. Crown Prince Abdullah, the Egyptian Foreign Minister, and the head of the Arab League. . . . Turning now to this town, I shall now comment on neo-conservatives, Christian Zionists, and the print news media.

Congressmen and Senators, while home during recess, evidently encountered a deeply skeptical electorate with respect to war against Iraq. Scurrying back to this town, somewhat chastened politicians seem nervous about the elections just ahead and the international situation.

Where the United States had the whole world behind it last 9/11, the whole world today—one can say, with good reason—is against the United States, because of the Administration's neo-conservative Middle East policy, to attack Iraq and to do nothing to solve the Palestine question.

While many in this room are familiar with the "hawks versus doves" or "unilateralists versus multilateralists" analysis of the foreign policy debate, may I offer the perspective

of "Traditionalists versus Neo-Conservatives"? In my view, the current policy debate is a confrontation between those who advocate the core values of the traditional United States approach to foreign relations, as established by the Founding Fathers, and those who are the alien-minded advocates of a radical break with American tradition.

The alien-minded neo-conservative policy network advocates the revival of a 19th-Century European imperialism—if not a ruthless and cynical 20th-Century German *machtpolitik*—as the basis for a new permanent direction in U.S. foreign policy. In fact, the neo-conservative policy network demands that the United States adopt a policy of global imperialism. That this is a constant theme in their propaganda is well known, and observable on a daily basis.

The policy of permanent global imperialism is the core of the dark, hysterical, and alien mind-set of the neo-conservatives. American foreign policy traditionalists, of course, reject permanent global imperialism and pre-emptive war. Traditionalists say international law must be respected, and that our policy should be to "observe good faith and justice toward all nations."

Because of the penetration of the Republican Party by the neo-conservative policy network during the past 20 years, the Republican Party now faces a severe internal crisis. This is reflected in the situation in Congress today by the sharp split between pro-Zionist Republicans and non-Zionist Republicans. A few sensible and respected Republican leaders of an older generation, such as James Baker and Brent Scowcroft, stepped forward to caution fellow citizens about the dangers of neo-conservative foreign policy. But the neo-conservative network of a younger generation of ideological zealots operating inside the Bush Administration, and supported by most Republicans in Congress—at least for the time being—goes about its work unimpeded, and is in fact protected at the highest levels of the Administration. . . .

1. Who Are the Neo-Conservatives?

When I refer to "neo-conservatives," I mean a particular network of Jewish-American intellectuals, operative since the 1950s. Gentile allies of the self-styled neo-conservatives, such as Gary Bauer, began to refer to themselves in the 1980s as "Social Conservatives." The followers of William Buckley, who have been allies of the neo-conservatives since the 1950s, tend to call themselves "Conservatives."

With respect to Buckley, I recall his *National Review* magazine lambasted President Eisenhower for his Middle East policy during the Suez Crisis in 1956. President Eisenhower, of course, opposed the neo-imperialism of Britain, France, and Israel. The "neo-conservative" movement emerged in the 1950s from the work of two key intellectuals, Norman Podhoretz and Irving Kristol. They had, according to some intellectual historians, drifted from pre-World War II Trotskyism to post-World War II Cold War Zionism. They