

Carter Under Fire; Mondale Grabs For Power

This week Washington witnessed a sharp escalation of the see-saw battle between the Rockefeller and Rothschild financial empires for control over the White House policy making apparatus. While Jimmy Carter and his Rockefeller-Trilateral Commission patrons came under increasing attack for "not taking the steps necessary to avert disaster" at home or abroad, Vice President "Fritz" Mondale, backed by Hubert Humphrey's congressional clique and "Our Crowd" Jewish investment houses in New York, engaged in a major power play to judo a sweeping White House reorganization plan to his own advantage. The plan, released July 6, recommends cutting the President's White House staff by 30 percent while leaving the Vice-President's staff intact.

Other significant features of the reorganization proposal include depriving former Trilateral Commission executive director and National Security Advisor Zbigniew Brzezinski of control over domestic National Security Council operations. Instead, White House domestic policy counselor Stu Eizenstadt, a former aide to both Mondale and Humphrey, would head up a parallel NSC for domestic affairs, euphemistically called a "policy staff management system." This would emulate the functioning of the NSC, including preparing "Presidential Review Memos" to influence Presidential policy making.

Although both monetarist factions generally agree on a short-term war perspective, at stake in their fight is tens of billions of dollars in the next Federal government budget deficit, a slew of slave labor and workfare programs concocted by Mondale and Humphrey, and hundreds of billions of dollars in pension funds. As a result of this falling out among thieves, the New York banking factions are ripping each other apart.

Beginning July 4 the Rothschilds declared their independence from their one-time alliance with the Rockefellers in a syndicated column by Jack Anderson, which warned that Carter's policies were leading to "social upheaval and revolution."irate over David Rockefeller's demands to be bailed out first at the expense of other financial factions, Anderson targeted "the new decision-makers in the White House, influenced as they have been by the Rockefeller-sponsored Trilateral Commission, (which) are bailing out the banks. One of the biggest, of course, is the Rockefeller-controlled Chase Manhattan Bank." Subsequent attacks emanating from the same circles blasted Carter for wrecking East-West detente, promoting regional conflict, and repaying old campaign debts with Presidential favors.

Mondale quickly took advantage of the building Cartergate climate to make his move. The effects of his

proposed White House reorganization, ostensibly the work of Office of Management and Budget director Bert Lance according to the *New York Times* and *Washington Post*, are already being evidenced by a sharp Administration shift in course over the last few days toward endorsement of the entire array of New Deal social fascist policies favored by Mondale, Humphrey, and the Rothschilds. This week, the Administration officially announced that it will not keep the lid on welfare spending costs, and that it will give big tax breaks to low and middle income families, both policy reversals credited to the inside lobbying of the Vice President. In a speech in Minneapolis this week, Mondale personally defended Congressional appropriations for Health, Education and Welfare which exceed levels that Carter, on the advice of Lance, has threatened to veto. Mondale has also publicly announced that the Administration would go along with an increase of \$1.5 billion in federal education spending, a full half-billion over the level which Carter heretofore favored.

Rothschild press conduits are grinding out copy on Mondale designed to give him a high profile and win public acceptance for his stepping in to fill Carter's Presidential shoes. The July 7 *Christian Science Monitor* carried an exclusive interview with White House legal counsel Robert Lipshutz stating that Carter has delegated to Mondale "the final sign-off in three or four" substantive policy areas. Headlined "Mondale Wins More Leeway," the interview also quoted Lipshutz emphasizing Carter increasingly is "leaning on" his number two man, that Mondale "relieves him (Carter) in a number of substantive ways." The interviewer concluded: "The Lipshutz disclosures show how important the Vice-President has become not only in advising Mr. Carter on the whole range of domestic and foreign policy issues — and also in easing his executive load..."

Further evidence of the Mondale faction's tightened hold over the Administration emerged this week with the appointments of several former Humphrey and Kennedy aides to important ambassadorial posts: Bill Vanden Heuvel as U.S. Ambassador to the United Nations in Geneva; Lewis Lerner as Ambassador to Norway; Leon Kaiser as Ambassador to Hungary; and Adrian Fisher, an "Our Crowd" insider, as Ambassador to the Disarmament Conference. The Mondale-Humphrey power play asserted itself even more daringly with the appointment of Charles Ruff as Deputy Inspector General of Health, Education and Welfare (HEW). Ruff was named several weeks ago as a member of the "Mondale gang of four" conspiracy to usurp power by one-time Nixon ally William Safire.

Mondale's shameless grab for power has sparked the most intense factional warfare inside the Carter Administration to date, as the Rothschild and Rockefeller factions struggle to come out on top of the accelerating U.S. monetary collapse. Humphrey protégés Reps. Henry Reuss (D-Wis) and Parren Mitchell (D-Md) launched broadsides against fiscal conservative Federal Reserve Chairman Arthur Burns, an ally of big New York commercial banks, in July 7 Congressional hearings where the two Representatives demanded Burns' immediate retirement. To no one's surprise, Reuss, Chairman of the House Banking Committee, has offered to replace Burns himself. Reuss, Mondale, and Humphrey are all faulting Burns' unwillingness to approve a hyperinflationary Congressional spending orgy on the way to a 1978 fiscal deficit of \$65 billion. The New York investment banks behind the Mondale coup are angling to gain the inside track on managing the marketing of the huge volume of government debt created to finance the deficits and are hoping thereby to make sufficient profits to cover their large trading losses elsewhere.

"Counterattack"

At the same time, the targets of the Rothschild offensive, both in and out of the Administration, are attempting to strike back. A fuming Arthur Burns counterattacked at the hearings and blasted his opponents for wanting to turn control of the nation's monetary affairs to a political "hack in the basement of the White House." The Rockefeller-allied *New York Times* in a lead editorial the same day fulminated that inflation was out of control and that the Administration's various initiatives were proving unsuccessful in corralling it.

Bert Lance, a local yokel of the Atlanta banking Mafia, caught in the middle of this brawl, may be bounced out of the Administration altogether. Agreeing with Burns that "fiscal restraint" and a balanced budget are necessary on the one hand, Lance also is an advocate of low interest rates and easy money. Most observers agree Lance is caught in this schizophrenic bind because of personal worries over his near-bankrupt National Bank of Georgia, the fourth largest bank in the state. One moment Lance is arguing with Burns, the next denouncing Reuss' Senate counterpart William Proxmire (D-Wis) for his unsound banking proposals. In between, Lance is fighting furiously to maintain his leverage in the Administration via the White House reorganization plan. Despite the fact that his office is alleged to have drafted the proposal, Lance stands to lose 80 staffers from his OMB. Knowledgeable Washington observers speculate that Lance is being set up for a fall by being given credit for the White House reorganization plan. Such high profile publicity makes him a highly visible target for both financial factions to vent their spleen on.

An *EIR* interview with one of Humphrey's chief aides this week bears out such speculation. Queried about reports that Lance's powers might be augmented by the White House reorganization, Humphrey's spokesman laughingly dismissed Lance as an unsophisticated "rube" struggling to keep both his head and his bank above water. In sharp contrast, there was enthusiastic applause from this quarter on Eizenstadt's increased influence at the expense of NSC head Brzezinski. "That's tremendous. He (Eizenstadt) already has an incredible influence as it is. I'd be for increasing it. You know, he used to work for Humphrey," the aide said. He was equally frank about what Humphrey expected from Mondale's successful consolidation of power in the White House: "The Humphrey-Hawkins bill is our number one priority. We're negotiating with the Administration about this now. (Labor Secretary) Ray Marshall is a strong advocate, and, of course, Mondale definitely favors it...It's conceivable that Mondale will help Humphrey lobby with Carter for the bill, but Humphrey carries his own water."

The U.S. Labor Party is the wild card in this Rockefeller-Rothschild slugfest. In a three-minute segment aired on NBC-TV's Nightly News July 5, NBC peeked into the "NCLC File" to watergate the FBI for its Cointelpro operations against the USLP's parent organization, the National Caucus of Labor Committees, and to target the Rockefellers and their one-time Attorney General Levi's guidelines.

David Brinkley introduced the segment, saying: "Among the sensations in Washington in the last year or two was the discovery that the FBI, CIA, and IRS had been snooping and spying on people in great numbers, often illegally and without reason. There were promises that it would stop, that Congress would stay on top of it. Carl Stern reports in at least one case, neither has happened." The segment opened with visuals of Levi and his guidelines, followed by the statement that NBC news had uncovered evidence that illegal COINTELPRO operations were still going on, accompanied by a picture of the NCLC's Washington headquarters. After an interview with NCLC National Committeeman Richard Cohen, NBC presented testimony from local police refuting FBI charges that the "NCLC is violence-prone." NBC reported, "Local police in cities where the FBI has charged violence, and where this could not be substantiated said the NCLC is not violent, just a nuisance."

While both Rothschild and Rockefeller monetarist factions will increasingly be tempted to use each other's dirty tricks against the NCLC and the Labor Party as a club against the other in the factional warfare, the danger for both is that their "exposés" will get out of control and sweep them out of power along with their opponents, as the potential for an American Whig alliance of business and labor behind the USLP Third National Bank program continues to increase.