

Mondale Sharks Gather Around Sinking Carter

"The blood's in the water and the sharks are coming." That's how sources in Vice-President Walter "Fritz" Mondale's operation described the political condition of Jimmy Carter this week after a month of the Lancegate scandals. They only neglected to mention that Mondale's crowd are leading the sharks.

While Mondale is "low-profiling it" publicly, his allies in the Fabian "left-wing" of the Democratic Party, the front men for Felix Rohatyn's Lazard Freres, and other "Our Crowd" investment banking firms, are quietly leaking that "Fritz thinks Jimmy isn't going fast enough" in implementing their depression package of slave jobs schemes and fascist regimentation of banking and industry. George McGovern and certain Americans for Democratic Action circles are doing their own "Herbert Hoover job" on Carter.

Fritz For Führer

"Isn't it too bad," they say, that Carter's defense of his budget director and old Georgia banking crony Bert Lance "is making him look like Nixon. Pretty soon people will be looking at the \$3 million loan Lance made to Carter's warehouse... We hear *Newsweek* is hot on the trail" of new Lance scandals.

The same sources don't mind admitting that "Mondale wants to be President."

The *Washington Post*, semi-official mouthpiece for Lazard and the Fabians, all but announced the Mondale-for-President drive in its lead editorial yesterday. After ungraciously pointing out that Carter was obviously lying when he said "I don't know of any allegation that Bert Lance did anything illegal," the *Post* observed, "The Lance affair is important not for what it tells the country about Georgia banking or one Georgia banker, but for what it tells about the Georgia farmer who is now President."

Clearly the *Post* would feel more comfortable with supposed "Mr. Slick" Mondale, the expert on "urban problems" and protégé of old poverty pimp and AFL-CIO agent controller Hubert Humphrey, selling slave labor instead of "Farmer Jimmy." The editorial concluded by reminding Carter he was paying a price for keeping Lance in the White House and "That price now seems to be rising steeply" to perhaps the level of his own head.

All in the Family

Today Carter's friend at the *New York Times*, James Reston, in his column ordered Carter to dump Lance to save his own skin by printing in his column that Lance's old pals in the Atlanta Mafia "are now conceding that he is embarrassing the President and will probably have to go." Meanwhile both the *Times* and *Post* surfaced "new Lance scandals" including the "Lance family multiple

overdraft" banking technique which netted Bert a cool \$450,000. This one was revealed by Lance's own lawyer, who also happens to be the father-in-law of Jimmy Carter's son Jack.

Perhaps it was this indiscretion on the part of Carter's own family circle which led his press secretary Jody Powell to emphasize at his daily grilling by the press yesterday that Carter was "not feeling paranoid" about the Lance affair.

A High Risk Operation

Another liberal Democratic journal, the *New Republic*, today uncorked the more-explosive-than-Lance scandal of Carter 1976 campaign financing in a copyrighted article in the *Detroit News*. The article reported Carter borrowed \$3 million during the Democratic primary on nothing more than his expectation of federal matching funds, implying that Carter may have used his connections at the Federal Election Commission to convince his creditors Uncle Sam would reimburse them. Publication of this piece points up the fact that even though it is rolling along in high gear, the Mondale "controlled Cartergate" is an extremely high risk operation, which could well backfire and sweep the entire Carter-Mondale Trilateral mess out of Washington this fall. If U.S. trade unionists, industry reps, independents and Whigs in both Republican and Democratic parties get organized behind the U.S. Labor Party's Third National Bank anti-depression program, that is exactly the leverage needed to get a sane President committed to peace and progress for 1978.

Mondale is, if anything, more vulnerable than Carter. What happens to Fritz "vote early and often" Mondale if the Carter campaign financing scandal blows up? Mondale, after all, was personally responsible for Carter's post-primary financial accounting swindles; and it was his poverty pimp-labor skate networks who ran the massive 1976 vote fraud.

The Nelson Rockefeller threat is also a problem for Mondale. In recent days Nelson has come under attack in press including the *New York Post* and *Cleveland Plain Dealer*. The *Post* accused Rockefeller of covering up CIA drug experimentation in his famous "blue ribbon investigation" of the agency. The *Plain Dealer* blasted Carter's foreign policy as "tied to the eastern establishment dominated by the Rockefellers" and labeled Carter a "Rockefeller Republican" on domestic policy, a line previously fielded by the Fabian *Atlantic Monthly*.

Should Nelson Rockefeller decide a Mondale presidency is not in his family's interest — Henry Kissinger perhaps notwithstanding — what is then to prevent him from leaking a few selections from his reportedly comprehensive "files" on certain Fabians?

Press Summary:

Attacks On Carter Escalate

Washington Post, August 30, Editorial, "Mr. Lance as Test Case":

The Lance Affair is now turning into the Chinese water torture. Each new drop of information about those Georgia banks adds to the Administration's embarrassment....

The Comptroller's report offers an unflattering view of two banks, but that will mainly be of interest to the people who write and enforce the banks laws. As for Mr. Lance, he is an ingratiating figure who is nobody's idea of a villain. The larger public interest here goes one level higher. It was the President's intercession for Mr. Lance to get the stock requirement waived that brought the present extensive press coverage to Mr. Lance's banks and his finances. It is the Comptroller's report, not the news stories, that now constitutes the authoritative source of information and judgment...

The Lance affair is important not for what it tells the country about Georgia banking, or about one Georgia banker, but for what it tells about the Georgia farmer who is now President. It now appears that the Comptroller, after writing his report, has sent examiners back to one of the banks for a still closer look. A couple of weeks ago we observed in this space that Mr. Carter could keep Mr. Lance in the White House only at a price. That price now seems to be rising steeply.

Washington Post, Sept. 2, "Lance and Hard Times," column by Rowland Evans and Robert Novak:

Bert Lance's most faithful supporters privately admit the struggle to save him seems doomed, a confession whose grave impact on the presidency of Jimmy Carter through the declining economy is not yet appreciated at the White House...

Alone among key Carter officials, he is fully aware of economic dangers ahead. Since even his critics within the Administration concede nobody can fully replace Lance as 'deputy President,' the latest declines in his prospects for survival reduces the likelihood that the Administration will act to forestall economic disaster...

By Tuesday, scarcely any official honestly believed in Lance's survival. One Cabinet member guessed Lance might quit when Senate hearings start Sept. 7, though the consensus was he would last longer than that...

In a broader sense, the problem has become the President's, with criticism now directed at Carter for embracing his friend Aug. 18...

This effort is likely to transcend all the speculation about the President's loss of purity now transfixing Washington...

Without Lance, such political pressures for higher spending will meet no effective resistance... Without Lance, the economic, energy and farm policies... will have no effective critic...

Detroit News, Aug. 31, "How Carter Financed His Campaign: An Investigatory Report," by Richard Reeves and Barry Hager:

Bert Lance is not the only member of the Carter Administration who financed a political campaign with loans from a friendly Georgia bank. And that's how his friend Jimmy Carter got to be President.

Both men financed Georgia gubernatorial campaign with bank loans but the real payoff in knowing how to play the bank came from Mr. Carter in the 1976 Presidential campaign...

Besides the bank loans there were also the claims of the creditors, the friendly suppliers, most of whom worked through the small advertising agency of Gerald Rafshoon, Mr. Carter's immediate advisor. At the end of May, Rafshoon owed his supplier \$647,977. He in turn was owed that amount by the campaign....

New York Times, Aug. 31, "Lance and the Georgians," and editorial page feature by James Reston:

In the last few days, there has been a definite change in the White House attitudes, not toward Bert Lance personally but toward the Lance "problem." Publicly, his Georgia colleagues are still supporting him, but privately and sadly they are now conceding that he is embarrassing the President and will probably have to go...

... Mr. Lance's finances have begun to reflect on President Carter's judgment. His well-publicized indiscretions are eroding the President's authority precisely when Mr. Carter needs it most to deal with the Congress on the critical issues of energy, welfare reform, the Panama Canal and a lot of other highly controversial political problems...

He (Carter) has been a bold President in his first seven months... Accordingly, Mr. Carter is at the first critical point in his young Administration. It was inevitable that, as he made decisions, he would arouse opposition and even make enemies, and this has been happening...

... His personal standing in the nation remains high, but much depends at home and abroad on his ability to maintain that sense of moral authority that brought him to the White House in the first place...

New York Post, Aug. 29, "VP Rocky Blocked 1975 CIA Probe," by Eric Fottman:

Former Vice President Rockefeller tried to thwart his own 1975 investigation into illegal activities by the CIA, *New York* magazine reported today.

The magazine, in an article by veteran correspondent Tad Szulc, quotes "highly authoritative informants" as saying that Rockefeller 'quietly called CIA Director William Colby into his office and urged him... not to volunteer any information' to an investigatory commission appointed by President Ford and headed by Rockefeller.

The article speculates that Rockefeller may also have been looking to cover up his own possible involvement in covert CIA activities.

As Undersecretary of Health, Education and Welfare during the first Eisenhower Administration, Szulc writes, Rockefeller 'was one of the few top officials who knew that CIA funds were being surreptitiously moved' for LSD experimentation on civilians.

Also, the article says, as Eisenhower's special assistant for "cold-war planning," Rockefeller "became Eisenhower's direct link to covert intelligence operations" and "participated in the approval of all covert projects" conceived during his tenure...

Oui, *September 1977*, "Who Runs Jimmy Carter?," by Craig S. Karpel:

The President and Vice President of the United States and the Secretaries of State, Defense and the Treasury are Commissioners of an elite international organization that is on record as being opposed to democracy...

This remarkable organization is called the Trilateral Commission. It was founded and funded in 1973 by David Rockefeller...

Until two weeks before Carter's nomination, the Trilateral Commission was headed by Zbigniew Brzezinski, now the National Security Advisor to the President... Brzezinski contrasts himself with Kissinger by noting that Kissinger was formerly an employee of Nelson Rockefeller, while he is an 'associate' of David Rockefeller...

Carter's membership on the Trilateral Commission had its origin in David Rockefeller's desire to install Zbigniew Brzezinski in a high State Department or White House foreign-policy-making role in the Administration taking office in January 1977. It was Rockefeller's feelings that his efforts to construct a post-Vietnam world order were being hampered by Henry Kissinger's neo-Metternichian balance-of-powers approach...

... The multinational corporations now require a President who can be counted on as negotiator, guarantor and protector of their private arrangements. They can no longer leave the selection of the President up to chance — that is, up to the democratic process...

We need not ask Carter whether he approves of the Trilateral Commission's recommendations on limiting democracy. Carter's candidacy is itself an exercise in the limitation of democracy...

Chicago Tribune, *Sept. 1*, "A Squalid Story of Five Banks," column by James Buchanan:

... David Rockefeller is Jimmy Carter's friend at Chase Manhattan whose fingers are in all of the above pies and who served as financial angel of the Trilateral Commission, one half dozen of whose members now run the government of the United States...

The Wall Street Journal, *Aug. 30*, "The SEC and New York," editorial page:

... Like the earlier report of Mayor Beame's own Temporary Commission on City Finances, the SEC report pinpoints human failings... In a way we sympathize with Mayor Beame and City Comptroller Harrison Goldin in their current discomfort... The longer-term misdeeds of former Mayor John V. Lindsay, former Governor Nelson Rockefeller, and a majority of the state legislature also put the city where it is and deserve a similar censure...

Sharks Are Gathering

The following is an interview with a Capital Hill source close to Senator George McGovern (D-S. Dak.):

Q: Where do you think the Lance scandal is going?

A: A close friend of Lance's said he will go soon. People like pollster Patrick Caddell are upset that Carter is tying himself to this. Nothing good can come of it. (Conn. Senator) Ribicoff will heat it up. It will be on the front pages for weeks. Politics will get involved. The Republicans will start to ask for Lance's resignation. It will be an embarrassment to Carter. The White House people won't talk about it. It is a major embarrassment to Carter. Carter is almost like Nixon. It can't help but hurt him. Soon people will look into the \$3.4 million loan to Carter from Lance for his warehouse. There is blood in the water and the sharks are coming.

Q: What does McGovern think about the way Carter has handled the economy?

A: McGovern spent the day a while ago with (New York City) Bronx Borough President (Robert) Abrams touring the South Bronx, meeting with people... He feels we need a massive Marshall Plan program for the cities. Government aid, what Robert Kennedy and Felix Rohatyn tried to do in Bedford Stuyvesant. Rohatyn arranged with the leading institutions to do this. There is no other city doing this except at the Renaissance Center in Detroit. McGovern will talk about this after he returns from the Soviet Union. He will call for this at a major speech he will make to a Black conference. McGovern says that Mondale is distressed at what Carter is not doing, that is why everyone is upset that Mondale is Vice President — he can't speak out. Mondale and McGovern see each other weekly.

Carter's next few months will be difficult. Some people are already looking into the Lance-Carter loan.