

## U.S. REPORT



# Presidency 1980

## This week: Wall Street's

*break from this controlled choice and go with an independent candidate.*

*This week, we turn our focus on John Connally, the one Republican candidate on the scene these days who has a chance of winning the Republican nomination. Connally's image is one of an independent-minded Texan. What we will show is that behind the public relations facade is a candidate wholly owned and operated by Wall Street financiers and lawyers.*

"Unless we have strong leadership both at home and abroad, the likely future of America is not what I would like to see for my children and grandchildren." So declared John Connally when he announced his candidacy for the Republican presidential nomination on Jan. 24, 1979. He called for a "rebuilding of the strength of America. I believe that the American system can be made to work again."

But what could possibly be the program for "rebuilding America" of a man who, as the secretary of the Treasury, declared the U.S. economy bankrupt in 1971?

The image makers paint Connally as a tough-talking, wheeler-dealer Texan, an independent who can deliver on his promises. "You can make a deal with John Connally and he'll deliver on it" is the spiel.

Connally's meetings, endorsements and campaign swings might appear to fit the pattern of a "Texan" who is "hungry for the presidency," and so ingratiates himself with Eastern Establishment and Zionist lobby elements. Some political observers have been forced to comment that Connally is "a politician with no political morals." But Connally's not for sale; he was bought quite a long time ago: at the very beginning of his political career. His presidential campaign is organized and controlled by the same Wall Street and Zionist banking interests that launched him.

**S**ix months ago, Executive Intelligence Review predicted that the New York Council on Foreign Relations would pick the candidates and run the campaigns of the 1980 presidential elections. Their scenario, we predicted, was to split the Democratic Party and secure the nomination of Senator Edward Kennedy. Out of the Republican Party convention would come a strong man candidate to win the elections. The preference is for General Alexander Haig. But should the campaign falter, there are other candidates in the wings.

*That scenario is now being implemented.*

*With this issue, we begin a series on the 1980 presidential campaign, documenting precisely how and to what purpose the New York Council on Foreign Relations controls the candidates and the issues. We will also present reports on the potential of the U.S. population to*

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# John Connally

## Rita's boy, John

Big John Connally's campaign is being managed by Wall Street lawyer Rita Hauser. At a benefit for the candidate sponsored by the American Jewish Committee in New York City during April, Hauser "spilled quite a few beans" in on and off the record statements made available to and published by this news service.

"I own John Connally, John is my boy," said Hauser, who has mapped out for Big John an entire campaign strategy. First: "destroy Ronald Reagan...kill Ronald Reagan."

Hauser has also prepared several options for Connally. Hauser views it preferable if Connally would bow to the presidential aspirations of former NATO Commander General Alexander Haig: "Haig is the one I really want." But if the New York Council on Foreign Relations' Haig for President campaign does not get off the ground, then Connally is the Eastern Establishment's fallback option. "Only John of all the current candidates has charisma," says Hauser. Connally is the only GOP candidate that would qualify as a demagogue and thus an opponent of Sen. Edward Kennedy.

There are no idle boasts here. Hauser is not speaking as "an individual," but as one of the foremost Wall Street legal representatives of the "Our Crowd" Zionist investment banking cabal. Her law firm, Stroock, Stroock and Lavan, is the in-house firm representing the London and New York based Warburg banking family. The Warburgs and the other top Zionist banking families—the Rothschilds, Schiffs, Loeb, Bronfmans, and Lehmans—have all thoroughly intermarried over the years, forming a very tight "Our Crowd" machine with enormous international holdings.

The Rothschild banking empire, the Warburg banks, Kuhn-Loeb, Loeb-Rhodes, Lehman Brothers, and Goldman Sachs share with the Eastern Establish-

ment's Episcopalian financier interests the huge life insurance and commercial bank holdings, to name but two. Although centered in New York and London, this network of financial clout has its subsidiaries and its representatives in every region of the United States and has for the last 100 years. This is the financial axis that set up the Connally for President campaign, with Rita Hauser as their front man.

Hauser's credentials fully qualify her for this position. She is a leading member of two of the guiding institutions involved in the implementation of London and New York policy toward the United States: the New York Council on Foreign Relations and the Ditchley Foundation (see below).

The Council controls the Democratic and Republican parties at the national level and counts both George Bush and Alexander Haig as members. The Council rigged the 1976 elections for Jimmy Carter and intends to do the same in 1980, but this time pitting Haig against Kennedy.

The Ditchley Foundation is also in the business of determining U.S. policy and politicians. American Ditchley, a subsidiary of British Ditchley, is dedicated to its parent organization's published goal of destroying the United States as a preeminent industrial power in the world. Their scenario for a massive shrinkage of the U.S. economy and large-scale economic and political chaos as the precondition for putting in place a "strongman" dictatorship is for all intents and purposes the same as that put forward by the Royal Institute of International Affairs, the International Institute for Strategic Studies, and the Council on Foreign Relations. The latter's 1980s Project is a plan for the "controlled disintegration" of the world's economy.

Ditchley too exercises a degree of control over the Republican Party at the national level. Directors or members of Ditchley's Advisory Council include: Henry J. Heinz II, father of the U.S. Senator from Pennsylvania and a representative of the mammoth Heinz-Mellon financial-oil-industrial grouping headquartered in Pittsburgh, Anne Armstrong, a Texas representative on the Republican National Committee, and Elliott Richardson, who represents New England's "Blue Bloods."

At private Pittsburgh gatherings, the Heinz-Mellon crowd is furiously organizing for the Haig option. Armstrong and H.J. Heinz III control the party's finances for the 1980 campaign, heading a group set up by the RNC called "Victory." The same Senator Heinz is chairman of the GOP Congressional Campaign Committee.



## Big John, big oil, big trouble

The big secret that John Connally and his PR managers are so eager to hide has nothing to do with the so-called milk scandal when he was charged with accepting bribes. That was a minor matter compared to the scandal that would be created if it ever got out who employs him and for what.

Just taking documents from the public domain shatters Connally's carefully cultivated "Texan" image. Connally works for the Mellons. He is the number two trustee of the Andrew P. Mellon Foundation. Refining what he learned at the Treasury Department, Connally now oversees, with Mellon okay, where the money goes, and where it goes is:

**Funding Project '87**, the pet project of Senator Edward Kennedy and California's Zen Buddhist Governor Jerry Brown that seeks to scrap the U.S. Constitution in favor of one modeled on British common law. Connally neglects to mention this fact when he goes on at length about restoring America's strength and about his feelings of respect for the very Founding Fathers who fought a revolution to rid America of the British System.

**Funding coal gasification studies** and the no less than four environmentalist studies on the alleged virtues of biomass going on at the Naderite think-tank, Resources for the Future. The Washington think-tank has received \$2.5 million in Connally-dispersed Mellon money.

**Funding the Trilateral Commission.** Big John and his cronies at the Mellon Foundation have been and continue to fund this operational arm of the Ditchley-CFR conspiracy that through the margin of vote fraud in 1976 brought in the worst government in United States history. The President, Vice-President, director of National Security and nearly the whole Cabinet consists of members of the Trilateral Commission. Once again, John never quite musters up the courage to candidly reveal such charitable sustenance to the administration he is so solemnly running against. Where Mellon money goes, Big John would prefer nobody knows.

**Funding the Aspen Institute** at Aspen, Colorado, a sister institute of the Ditchley Foundation. Aspen's leading lights include ARCO Chairman Robert O. Anderson, owner of the London *Observer*, his ARCO partner and Ditchley Advisory Council member Thornton Bradshaw, and Henry Kissinger. One of Aspen's operations included the overthrow of the Shah of Iran, the ensuing oil cutoffs and this summer's rigged oil hoax against the American population.

Mellon funding of Aspen, an American-based political intelligence operation that functions as a deployment of British intelligence and the British Petroleum-Royal Dutch Shell axis, to help effect the \$53 billion ripoff of June-July 1979, at least did not represent any conflict of interest for the owners of Gulf Oil, one of the Seven Sisters. Despite his inside knowledge as to how oil hoaxes are created, Connally has been silent on this issue.

Mellon's Gulf Oil and oil hoax will soon become household words to millions of shivering residents of the Northeast—from Pennsylvania to New Hampshire—this coming winter. Gulf Oil is leading the drive for a new oil hoax, announcing as the first step toward an area pattern that all heating oil sales to distributors in New York City will be solely on a cash on delivery basis. At one stroke, Gulf is terminating dealers' credit and guaranteeing artificial shortages (see ENERGY).

**Funding the Wharton School** at the University of Pennsylvania where the opposition to the Davis-Bacon Act is headquartered. Davis-Bacon guarantees prevailing union wage levels on federally funded construction projects. In 1971, Treasury Secretary Connally was behind the Nixon administration's suspension of Davis-Bacon as part of his inflationary controls program.

Wharton has produced a major study recommending repeal of David-Bacon. John Brinker is conducting a secret study of Teamster union weakness. His study is also funded by the Center for the Advancement of the Public Trust which runs the National Right to Work Committee. The Center's chairman, Abner Vernon McCall, is president of Baylor University in Texas and a close associate of John Connally.

**Funding antilabor think-tanks**, like the Brookings Institution which is running Senator Kennedy's campaign to deregulate the trucking industry and thereby bust the Teamsters union.

**Funding the Independent Truckers Association**, via the Mellon-controlled Alcoa, which finances Mike Parkhurst's magazine *Overdrive*. Parkhurst directed the recent independent truckers strike.



## Antilabor, antidollar

The Mellon Foundation's funding of labor policy studies is not inconsistent with Connally's own policies while governor of Texas from 1963 to 1969. As governor, Connally helped funnel projects to the Texas-based Brown and Root construction company, which has since developed into the main force behind the Associ-

## John Connally's career

John Connally's image makers paint the presidential aspirant as a tough-talking wheeler-dealer, someone who can make a deal and deliver on it.

Connally made such a deal some 40 years ago with the New York Council on Foreign Relations and the rest of the Wall Street crowd and has worked for no one else since. His tough Texan image to the contrary, Connally is Eastern Liberal Establishment through and through.

Consider the facts of his career.

**1938:** Connally attends the University of Texas. There he made his first and very crucial connection, befriending Robert Strauss of the Texas Zionist lobby Strauss family. Strauss went on to become the national chairman of the Democratic Party and is now President Carter's special negotiator for the Middle East.

**1939:** Connally goes to Washington, D.C. as the secretary to freshman Congressman Lyndon Baines Johnson.

**1940-45:** Connally attends the Naval Intelligence School in New York City. Following graduation, Connally spends the war years in Naval Intelligence under Robert Murphy, who later headed the Murphy Commission, and Paul Warburg, of the Warburg banking family.

**1946-49:** Connally is president and general manager of KVET Radio in Austin, Texas. In 1948,

Connally manages Lyndon Johnson's Senate campaign.

**1949:** Connally goes to Washington again as an administrative assistant to Senator Johnson.

**1950-52:** Connally becomes a member of the Austin, Texas law firm of Powell, Wirtz and Rahaut.

**1952-61:** Connally is the attorney for Sid W. Richardson and Perry B. Bass, independent oil operators based in Forth Worth, Texas.

**1960:** Connally heads Citizens for Johnson.

**1961:** Connally is appointed Secretary of the Navy in the Kennedy administration.

**1963-69:** Connally becomes governor of Texas, accumulating a good bit of notoriety for his antilabor policies.

**1970-73:** Connally is appointed Secretary of the Treasury in the Nixon administration, an appointment facilitated by his switch in party allegiance some months earlier.

**1973:** Connally becomes special advisor to President Nixon. He is also a member of the Foreign Intelligence Advisory Board from 1972 to 1974 and 1976 to 1977.

**1973-present:** Connally becomes a partner in the lawfirm of Vinson, Elkins and Connally. He is a trustee of the Andrew Mellon Foundation and holds a membership in the Advisory Committee on Reform of International Monetary System and the American Bar Association's Advisory Committee on Law and National Security.

ation of Building Contractors, the open shop construction outfit.

Connally's law firm Vinson, Elkins still does business with Brown and Root, representing that company in a number of areas. Connally himself sat on the board of directors of the parent Halliburton Company. Today, the board includes Anne Armstrong, the former U.S. ambassador to London, and James W. Glanville, general partner of the Lazard Freres investment house in New York.

Today, open shop operations make up 83 percent of the Houston construction industry. Connally laid the groundwork in the 1960s by teaming up with Lyndon Baines Johnson and Texas Senator deliver projects to Brown and Root which would build the antiunion shop into the biggest construction firm in the country.

Recently, Connally's law firm partner, John Smither, described how it's done: "First, you must go to the unions, but you have to pay competitive wages. Then you should go to the NLRB (National Labor Relations Board) to pursue nonunion status . . . this will allow

you to go, what they call in the trade, 'double-breasted.'" The Associated Builders and Contractors and Brown and Root now face a \$75 million lawsuit brought by the Houston Building Trades charging them with conspiring to undermine union bargaining power.

Governor Connally was also responsible for forming a commission to reorganize the state university system. Their proposal opened the doors of the University of Texas in Austin to Walt Rostow of the Committee on the Present Danger and James Bill, the State Department man in charge of the coup which deposed the Shah of Iran and brought into power the Ayatollah Khomeini. Muslim Brotherhood agent in Iran Ibrahim Yazdi received his training at Baylor University in Texas.

Connally left the governor's office in Texas to become President Nixon's secretary of the Treasury in 1970. The U.S. dollar and economy fared no better than labor under Connally's jurisdiction. His was the job of selling a domestic and foreign economic policy scripted by Milton Friedman, now Chile's economic advisor, that was inimical to the interests and principles

of the nation and the Nixon administration itself.

The critical date was Aug. 15, 1971, when the British provoked a dollar crisis that forced the dollar off the gold standard. The crisis had been brewing since late 1970. Nixon pulled together an economic triumvirate to handle it: Treasury Secretary John Connally, Assistant for International Economic Affairs Peter Peterson and Undersecretary of the Treasury for Monetary Affairs Paul Volcker.

The team formulated a new economic policy for the nation which drove America's economic leadership to its nadir.

On the domestic side: Phase One-Two-Three of the wage-price control program was thrust down the throats of American business and labor by tough-talking Treasury Secretary Connally.

Connally tried to hide these controls and the dollar's devaluation behind kami-kaze assaults on Europe and Japan as the "culprits" responsible for the United States' economic troubles. He vociferously supported an import surcharge in order to extort political and economic concessions from Europe and Japan. With help from Volcker, Connally succeeded in irreparably disrupting U.S. relations with both.

And it was John Connally who argued the longest and loudest for a permanent separation of the dollar from gold in response to the British-provoked attack on the dollar. He has since sought to institutionalize the "floating rates" system and to eliminate gold from the international monetary system altogether. No backer of the European Monetary System plan to remonetize gold, Connally would rather see imposed the once rejected plan of John Maynard Keynes for a world central bank—the International Monetary Fund—and based on the IMF's Special Drawing Rights.

Considering this record, if Connally is put at the helm of the nation, there may not be a nation by the end of his term.



### Connally's coming out

Connally would have no career were it not for the Zionist lobby machine in Texas. To give you the flavor of this phenomena, we provide a bit of Texas history.

The British-Zionist machine in Texas predates the Civil War and centered around the Rothschild-Lehman Brother's control over the cotton trade. Texas was, after all, one of the original seven states to secede under a British-instigated plot to destroy the Union.

The year 1901 marked the next major phase. The Spindletop gusher thrust Texas into the center of world oil production and refining. The two oil majors that moved in were Mellon's Gulf Oil and Royal Dutch

Shell (owned by the Dutch monarchy and the Rothschild financial family). To this day, Shell Oil's U.S. headquarters are in Houston.

After the Versailles Treaty, the Council on Foreign Relations was established through the activities of John W. Davis, Colonel House and Henry Wriston of Citibank (who was to be the interwar president of CFR). The Texas machine officially became the extension of the CFR into Texas. It was this Texas machine that launched the careers of such "Texas" politicians as Lyndon Baines Johnson and Johnson's Protégé John Connally.

Connally, while still an undergraduate at the University of Texas in the late 1930s, made his first big crucial connection. He was befriended by the scion of a Texas Zionist lobby family, Robert Strauss, also attending the university. Following graduation, Connally, whose only friend of consequence had been Strauss, suddenly ends up in Washington, D.C. as the private secretary to then freshman Congressman Lyndon Baines Johnson.

Connally is then picked up for some political tooling by Tommy Corcoran and his partner Ben Cohen who were also schooling Johnson. This duo were the protégés of ranking members of the Eastern Establishment-Zionist axis in America, men like Bernard Baruch, Louis Brandeis and Felix Frankfurter. The preponderance of Zionist-liberal Supreme Court justices here should surprise no one. Just recall the extreme political closeness of the Johnson White House with both Arthur Goldberg and Abe Fortas, whom Johnson appointed to the Supreme Court.

During and immediately after World War I, Ben Cohen was the counsel for some of the leading Zionist organizations and the U.S. counsel to the Versailles Conference where he served under Bernard Baruch and the Dulles brothers (who were equal partners with Zionist Seligman financial family in running Sullivan and Cromwell). During World War II, Cohen was legal counsel to the team at Bretton Woods that established the International Monetary Fund.

Corcoran began his career as a law clerk trained by Felix Frankfurter. When Citizens for Johnson was formed in 1960, the "big guns" who ran the operation were Ben Cohen and Dean Acheson, whose own training began as a law clerk to Louis Brandeis.

Today, Connally's own presidential campaign is being run in Michigan by Zionist power broker Max Fisher. In fact, in May 1979 Connally went "to Michigan to seek Max Fisher's endorsement," the *Detroit Free Press* quoted Connally as saying.

Fisher began his career in the 1930s as a "bagman" for the "Purple Gang" of Detroit, Cleveland and Buffalo. His transition from an associate of Zionist mob networks into a leading national public figure was achieved through the direct interventpon of the Roth-

schild family. As the book *Dope, Inc.* (New Benjamin Franklin House, New York: 1978) documents, the Purple Gang at the mob level and the Rothschilds at the international financier level are deeply involved in the \$200 billion a year international narcotics trafficking business.

Max Fisher's international narcotics connection does not stop with the Purple Gang. In 1975, Fisher assumed the directorship of United Brands. During his tenure there, U.S. drug enforcement officials estimate, over 20 percent of the cocaine smuggled into the U.S. arrived on United Brands ships.

The Connally-Fisher affair in Michigan proved to be no one shot venture. In June, Connally appeared at a GOP dinner in Alexandria, Va. where the candidate received strong endorsements from Anna Chenault, the owner of Flying Tiger airlines, reputed to be key in the transshipment of drugs from the "Golden Triangle" of Southeast Asia to the United States. Endorsements also came from Tommy Corcoran now a senior partner in the Washington-based lawfirm of Corcoran, Youngman and Rowe. With the assistance of William O. Douglas, Robert Amory and Milton Katz, this lawfirm set up and ran the Securities and Exchange Commission in the 1930s under the titular head of millionaire bootlegger Joseph P. Kennedy.

At Alexandria, Connally not only described his association with Max Fisher as a longstanding one, but concluded: "Max Fisher is a great American."



### Some very British connections

There is one more story to tell about Big John Connally which starts in 1940. Connally left the Washington D.C. office of Rep. Johnson to attend the Naval Intelligence School in New York City. Naval Intelligence was the U.S. coordinating center of the "Intrepid" operation and was the prewar liaison to British Intelligence and Sir William Stephenson's special Operations Executive.

Connally's World War II stint with Naval Intelligence stationed him in North Africa and Europe under Paul Warburg and Robert Murphy.

At every point in his career the character of this chain of command over Connally has remained invariant.

Connally's World War II connections to Robert Murphy are most revealing. Murphy was an official of First National City where he worked for Arthur Amory Houghton, the most powerful Episcopalian financier in the United States. Houghton's holdings center around

First National, Corning, Metropolitan Life, and New York Life. The latter's Jesse I. Strauss is from a top Zionist family that owns Macy's department store.

Similarly revealing are the connections Connally made with his Committee on Mediterranean Freedom, which was formed as a lobby for Italy's Black Nobility against an "historical compromise" government in Italy. Such a governmental alliance between the Italian Communist Party and the Christian Democracy was viewed by many political observers as the only basis for industrializing Italy. The promoters of the committee included Clare Booth Luce, Rhode Island's John O. Pastore and Citibank's Walter Wriston. Wriston's father Henry held the longest tenure as head of the Council on Foreign Relations between the two wars.

Now today, Connally's campaign is being run by the Warburg financial interests through their spokesman Rita Hauser. British intelligence's command post for the campaign is Arthur Amory Houghton's Wye Plantation on the Eastern Shore of Maryland. Termed Aspen East, it is the eastern headquarters of the Aspen Institute. Operational control over the campaign is being exercised by Henry Kissinger and Joseph Slater of the London *Observer*, owned by ARCO's and Aspen Institute's Robert O. Anderson.

On questions of policy, the same pattern exists. Robert Murphy, until his death, was chairman of the Murphy Commission studying government reorganization. They proposed a crisis management style government and a scrapping of the Constitution. Sound familiar? Connally's Mellon Foundation funds Project '87 to rewrite the Constitution in line with British common law.

Connally's mentors have always proposed a totalitarian solution to depression for other industrialized countries. Consider the Great Depression. The Treasury Secretary then was Andrew Mellon and Arthur Amory Houghton was the special assistant to President Hoover on economic policy. Allenston Houghton, as U.S. ambassador to Weimar, conducted funds to the growing Nazi party in the 1930s.

Later, the Mellon interests entered into a cartel arrangement with the Nazis that ensured the Nazi war economy a high quantity of light metal materials for aircraft and military production. The Mellon interests endorsed the Nazi synthetic fuel program and recommended that the U.S. adopt such a program in the 1930s. Recent ads by Mellon's Union Carbide on behalf of the Carter administrations synthetic fuel program serves as a reminder that policy then and now has not changed.

John Connally himself is on record for a synthetic fuels program. As Thomas Corcoran and Walt Rostow recently told enquirers, John Connally has always been for this type of program.

—Konstantin George