

'Debategate': a threat to U.S. national security

by Richard Cohen

The *Executive Intelligence Review* is now in possession of evidence that the Soviet intelligence service, the KGB, under the direction of Soviet President Yuri Andropov and Geidar Aliyev, his former chief deputy at the KGB and now Politburo member, is playing a central role in the sudden wave of political scandals rocking the Reagan White House.

EIR has also learned that actively allied with Andropov in manipulating the destabilization of the Reagan presidency are prominent families such as the Schlumbergers of Houston, the Paris-based Rothschilds, and other key elements of the Swiss-centered Nazi International, including important portions of the illegal "Propaganda-2" Freemasonic lodge of Italy.

Two powerful Democrats with long-standing ties to both the Soviets and the Swiss—former New York Governor Averell Harriman and Democratic Party funder Armand Hammer—are playing pivotal roles in these operations.

According to an aide to Congressman Jim Leach (R-Iowa), who along with 19 other U.S. Congressmen has returned from a "roundtable discussion" in Moscow with the head of Moscow's U.S.A.-Canada Institute Georgii Arbatov, Leach believes that the Soviets are "itching for a fragmentation of the Reagan administration" via the Debategate scandal. On July 14 the Leach aide quoted the Congressman's answer given during a recent staff meeting to a question on the Soviet leadership's view of Debategate: "The Soviets are hoping to bring down any administration, especially one like the present one. They are hoping that 'Debategate' will mushroom into a Watergate-type scandal which would frag-

ment the government."

Leach was part of a 20-person U.S. congressional delegation that met with their Moscow counterparts, including top Soviet personnel masquerading under their "parliamentary" hats—Arbatov, Marshal Akromeyev, Zamyatin, and Velikhov. Ten of the 20 Americans are co-sponsors of the Moakley resolution, which proposes to ban testing of weapons in space—precisely the sabotage of President Reagan's new defensive doctrine which the Soviets have demanded repeatedly since last March 23.

Sources involved in the initial planning meetings which concocted the "Debategate" scandal have confessed that short of forcing President Reagan to reconsider his plans to run for a second term, the principal goal of their operation will be to topple a crucial network of intelligence and military officers inside and outside the administration, a network which has functioned in close coordination with Reagan intimate National Security Adviser William Clark. Through this network, Clark has been able to secure reliable intelligence information and estimates, bypassing compromised State Department and FBI-centered sources.

With the summer and fall spiraling into international crisis triggered by the collapse of world debt payments and the Euromissiles, Moscow and its Swiss allies would win a major advantage by blinding the President and his national security adviser by destruction of this network.

In short, Andropov, his Swiss collaborators, and their confederates in the nation's capital intend to either 1) force the collapse of the President's new strategic doctrine and the

President's facility for independent action through a foreign-policy humiliation, making Reagan a "lame duck" before his expected Labor Day re-election campaign announcement; or 2) compel presidential reliance on the Shultz-Kissinger controlled State Department and the Swiss-linked FBI headed by Carter appointee William Webster, after the trusted "watch-dog" group is neutralized.

The principal political instrument through which the KGB has mounted this assault is the network of Democratic National Committee (DNC) chairman Charles Manatt, the FBI, and intimates of defeated President Jimmy Carter.

The June 10 conspiracy

From the inception of the Carter administration, the KGB and certain Swiss agents mounted a multi-faceted four-year effort to penetrate and control the Carter trust, using money, deception, and finally the Iran hostage crisis. It is this secret relationship between the Carter trust, the KGB, and the Swiss which lies behind the 1980 scandal known as "Billygate."

On June 10, five days after Yuri Andropov's audience with Averell Harriman and his wife Pamela in Moscow, a secret meeting took place in the offices of Robert Strauss, former DNC chairman and Carter administration Special Trade Representative. Democratic Party sources have confirmed that the Harrimans, especially Pamela, are on intimate terms with Strauss and reportedly are in almost daily telephone contact with him. In addition to Strauss, those present at the meeting included key insiders from the Carter administration: press secretary Jody Powell, public relations man Gerald Rafshoon, pollster Pat Caddell, domestic adviser Stuart Eizenstat, and his chief assistant David Rubenstein.

According to these sources, the June 10 Strauss conclave marked the initiation of the scandal now known as "Debategate." These sources also report that the participants at the meeting agreed to a detailed plan of actions aimed at paralyzing the White House through a string of further corruption scandals.

Forty-eight hours after the Strauss office meeting of the Carter trust, Jody Powell wrote an op-ed in the June 12 *Washington Post*. There Powell first raised publicly the question of Reagan campaign violations of the Ethics in Government Act and other criminal codes, for the alleged use of the Carter briefing book prepared in preparation for the 1980 campaign debate.

Possession of the Carter briefing book by the Reagan campaign committee was conveniently placed on the public record by now-Office of Management and Budget Director David Stockman in a speech to a Michigan Optimists Club just before the Carter-Reagan debate. Stockman has conveniently repeated the story to *Time* magazine reporter Lawrence Barrett, who later printed it in his book *Gambling With History*. Stockman, who almost lost his White House job in 1981 following mammoth indiscretions published in the *Atlantic Monthly*, was godfathered to safety at that time by his mentor, White House Chief of Staff James Baker III.

It was Baker who, coming to the Reagan campaign from his position as director of the George Bush for President campaign, oversaw the debate preparation process, and it was later Baker who consistently sided against the national security recommendations of Clark and Defense Secretary Caspar Weinberger, allying with the Kissinger-Shultz faction in the administration.

Then came the June 10 conspiracy. At the time of the Powell op-ed, Manatt, joined by Powell and former Carter Chief of Staff Hamilton Jordan, went to the Department of Justice to demand that the FBI initiate a full-scale investigation of the President and of CIA Director William Casey. FBI Director Webster, a member of the secretive Masonic Bohemian Grove Mandalay Lodge—along with Shultz, Kissinger and Manatt—immediately complied. It is noteworthy that a report of the investigation surfaced in a Soviet television broadcast one day prior to the FBI's formal announcement of the fact.

The 'old boys' network

Within a month after Reagan's March 23 pronouncement, Webster went to National Security Adviser Clark to demand an investigation of what Webster termed an "old boys" network of military and intelligence officials who he claimed were "sabotaging" the FBI's ability to operate. It was known at the time that precisely this apparatus had played a leading role in convincing the President to adopt the new strategic doctrine. Clark refused to comply with Webster's demand.

The Bureau proceeded to use its press connections to weaken this apparatus. Less than a week after the initial FBI demand to Clark, the *Washington Post* in a full-page article exposed the existence of an intelligence unit known as the Intelligence Support Activities group (ISA). The author of the article was Jay Peterzell of the Center for National Security Studies, an offshoot of the Warburg-founded radical leftist Institute for Policy Studies. According to Peterzell, the ISA was an "old boys" unit set up during Carter's term without the knowledge of then-CIA Director Stansfield Turner, to run support operations for U.S. intelligence in Iran. Peterzell said the ISA unit continued to function under Reagan.

This FBI-targeted apparatus has become the immediate focus of the Debategate investigation, as discussions made available to this reporter with persons close to Powell and Caddell, have confirmed.

Asked where this operation is headed, one Democratic Party source stated, "Well—people who are aware say that there is a lot more coming, and it relates to the Casey 1980 pre-election intelligence operation." Another source commented, "Their [the Reagan campaign] paranoia about the 'October Surprise' led to the creation of an intelligence unit which then went beyond that and sucked in everything. There is definitely meat in this part of the thing."

The "meat" became public in a July 7 *New York Times* article by former Carter State Department official Leslie Gelb

in which Reagan administration officials are targeted for having put together an intelligence-gathering network during the 1980 campaign under the direction of current CIA Director William Casey. Gelb targets one Stefan Halper, the son-in-law of former CIA Deputy Director Ray Cline. According to the article, Halper, who worked directly under Adm. Bob Garrick, ran this operation for the campaign. Garrick, in published interviews, has openly acknowledged running such a network, utilizing friends and acquaintances in the military and intelligence communities.

Sources present at the June 10 Carter trust meeting report that public attack will soon be aimed at individuals in the national security apparatus, some of whom have maintained their positions since the Carter administration and supposedly leaked damaging information about Carter activities to the Casey group during the campaign. A related scandal—the attempt in a book by former *Washington Post* reporter Betty Metzger to smear William Clark with charges of unsavory activities when he served as a Reagan appointee on the California Supreme Court—coincides with the Debategate attacks.

In a July 11 column, *New York Post* Washington correspondent Niles Latham asserted that Jimmy Carter has been playing a direct role in the entire affair. Latham quotes an unnamed former Carter White House aide stating that “Carter is getting full briefings from his troops in Washington and is actively encouraging them to pursue the Debategate issue.”

The Carter trust got a major boost in early July from KGB asset Jim Baker, who publicly fingered CIA chief Casey as his source for the allegedly purloined briefing book. An incensed Casey went to the pages of the *New York Times* to exonerate himself, while leaving no doubt about his feelings toward Baker. Casey accurately pointed out that anyone with any experience in political campaigns would have immediately identified the Reagan committee’s possession of Carter materials as a “set-up.” It is also well known that Baker has long desired Casey’s position at CIA, and this intramural squabbling exacerbated what Washington intelligence sources describe as a situation in which the White House is bogged down and paralyzed. Then, on July 7, a foolish President—reportedly backed by Casey—went to his top staff and urged them to tell everything to the FBI under the coordination of White House Counselor Edwin Meese.

“Billygate” in the background

Intelligence sources also report that the President has decided against using his best offensive weapon—the Billygate scandal.

The “Billygate affair,” as it became publicly identified, involved an investigation by the Justice Department’s Office of Professional Responsibility of possible violations of law by U.S. government officials during a 1979 Justice investigation of Billy Carter’s relationship to Soviet asset and terrorist Muammar Qaddafi’s Libya under the Foreign Agents Registration Act. In addition to the executive branch investigation, Senate committees conducted at least six separate investigations into issues connected with the Billygate affair.

The 1979 investigations arose out of a fall 1978 column by investigative journalist Jack Anderson exposing an influence-peddling scheme on behalf of Libya involving the President’s brother Billy. When the Office of Professional Responsibility’s investigation was completed in 1981, it concluded in its final report that no government official had in fact violated any laws during the Billygate probe—thereby clearing, among others, President Carter, Attorney General Benjamin Civiletti, and Carter National Security Adviser Zbigniew Brzezinski.

Under the weight of this coverup are probably hidden the most extreme breaches of American national security in recent memory. The depth of the Carter administration sell-out to a four-year KGB-Swiss penetration operation occurred in mid-1980 when, in a last-ditch effort by the Carter administration to pull the President’s campaign out of the fire, a deal was struck with Iran’s Ayatollah Khomeini to free the U.S. hostages just before the 1980 elections. At the time, this journal exposed the fact that the so-called Billygate scandal, which only superficially involved influence-peddling by the President’s brother on behalf of Libya, was that the Carter administration had struck such a deal with both Libya and Iran. That this was the case was fully known to the Reagan campaign team at the time.

A key aspect of the deal was that the Carter administration agreed to look the other way in order to allow the Iranian secret service, the Savama, to conduct criminal operations against leading anti-Khomeini leaders in the United States. This led to the July 26, 1980, assassination of one such leader, Ali Akbar Tabatabai, the head of the Washington, D.C., based Iran Freedom Foundation. Attempts by this journal and local police organizations to secure FBI surveillance of Washington Savama chief Bahram Nahidian in expectation of an attempt on Tabatabai’s life were ruled out by Webster’s FBI and Civiletti’s Justice Department prior to the assassination, and the assassin somehow managed to escape the country, presumably to Iran.

Indeed, the Carter administration maintained grotesque back channels to Khomeini throughout the course of the hostage crisis. But the sordid details of Carter’s secret negotiations with Iran aimed at securing an “October Surprise” hostage release were but the tail end of a story scripted by KGB head Andropov which began at the very beginning of the Carter administration.

During the Carter transition period, Robert Vesco, a fugitive agent of Swiss-centered Rothschild and Schlumberger interests, contacted two Atlanta intimates of the President-elect, Charles Kirbo and Hamilton Jordan, in an attempt to bribe the Carter administration to withdraw extradition proceedings against him. Vesco would later become instrumental in bribing Strauss understudy and then-DNC chairman John White to help secure licenses for C-130 transport plane shipments to Libya.

Beyond the Swiss-connected Vesco, the Carter administration had another prompt Swiss-connected visitor, Licio Gelli, who attended Carter’s inauguration. Licio Gelli was

then head of the super-secret Propaganda-2 (P-2) Masonic lodge of Italy (which later saw its chief banker Roberto Calvi hanged from London's Blackfriar's Bridge). These early entrees bore fruit in March 1978 when P-2-connected Sicilian lawyer Michele Papa, a reputed leader of the Sicilian separatist movement and founder of the Sicilian-Libyan Friendship Society, contacted Atlanta mafia figure Mario Lianza for the purpose of setting up contact with the President's brother Billy. Papa was operating on behalf of joint Swiss-KGB asset Muammar Qaddafi.

Billy goes to Libya, and vice versa

In September 1978, Billy Carter was invited to Libya by Ahmed Shehata, the director of Libya's Foreign Liaison Office. Later, in January 1979, Billy invited Shehata and a host of other Libyan officials to tour Georgia. Beyond what later became public in terms of large-scale loans given to the Carter trust by Libya, the secret financial bonanzas for the Carter family lie in the detour that the Libyan delegation took during January 1979 to Jacksonville, Florida. There, the Libyans met with Raymond Mason, the chief operating officer of Charter Oil Company. Mason had already been in contact with the Carters and Vesco on a major deal, which would drastically increase the influence of the Libyan government and those behind the Libyan government in the Carter administration.

During the course of 1979, the deal was struck. With the compliance of the Libyan government and the National Iranian Oil Company, Charter Oil won rights to the giant Bahama refinery previously owned by Carey Oil and Socal. In effect, the deal was underwritten by the Libyan and Iranian governments in conjunction with the First National Bank of Florida, the primary funder of Charter Oil.

Sitting on the board of First National of Florida was none other than Democratic Party funder Armand Hammer (outside of Occidental Petroleum, this is the only board of directors on which Hammer sits). As importantly, Hammer, whose family has been a wholly-owned subsidiary of Soviet foreign intelligence operations from the inception of the Soviet Union in 1917, gets most of his Occidental Petroleum oil from Libya. The Carters' Qaddafi connection was signed, sealed and delivered by Hammer and those behind the Libyan regime—the Swiss and the KGB.

Carter's National Security Adviser Zbigniew Brzezinski was enticed by the illusory promise of destabilizations and uprisings in Muslim sections of the Soviet Union to play the "Islamic card." Ironically, the Islamic card was dealt to Brzezinski by none other than Gaidar Aliyev, Andropov's deputy in charge of Islamic operations. With the Libya connections made, Brzezinski was encouraged to pursue the even-more-destabilizing Khomeini connection.

Thus, in November 1979, Billy Carter was called to a special briefing by Brzezinski on Libya and Iran. It was clear that Carter and his friends were prepared to play the hostage deal game, and that was Billy's mission. Then, in June 1980, President Carter met privately for several hours with Libyan

Chargé d'Affaires Ali Houdari in order to secure the full help of the Libyan government. (The coverup of Billy's illegal activities as an agent of Libya implicated, among others, Attorney General Civiletti and FBI Director Webster.)

All those present at the June 10 meeting planning the orchestration of "Debategate" were intimate parties to the "Billygate" process of compromising U.S. national security to the KGB and the Swiss!

Charles Manatt's role

It is very significant that Charles Manatt's profile shows him to be also compromised by the KGB. He represents the wing of the Democratic Party that opened the doors to the "New Left," placing the California state party in the hands of Jerry Brown, Jane Fonda, and Tom Hayden. Manatt and his leftist minions rose to power in the California branch of the party, and then nationally, in large part through the generous subsidies of Armand Hammer, who, as already noted, is the top liaison for back-channel relations, as well as trade and cultural relations, between the Soviet Union and the West, and is the financial godfather of Soviet stooge Qaddafi. Hammer has had a "warm, personal relationship" to every Soviet leader since Lenin and Hammer's father set up the Communist Party U.S.A. But perhaps even more revealing is a close look at Manatt's business partners in his California law firm.

One is former Senator John Tunney. During the 1980 Olympics in Moscow, Tunney, who had set up a firm called Image Factory Sports, Inc., launched a joint venture with KGB official Dzhermen Gvishiani to market Olympic coins and other nostalgia merchandise internationally. Gvishiani is the son of a KGB general, the son-in-law of the late Soviet Premier Kosygin, and Soviet representative on the board of the anti-growth Club of Rome. With McGeorge Bundy, Gvishiani co-created the Vienna-based International Institute for Applied Systems Analysis. Last year, after the British press exposed the fact that the KGB was using this institution to tap into Western computer banks, the British government withdrew its financial contributions. The U.S. government has likewise cut off funding from this KGB front. When he started his joint enterprise with Tunney, Gvishiani was (and still is) the deputy chief of the Soviet State Committee on Science and Technology, the organization run by the KGB for the purpose of collecting technological information from the West. Gvishiani is also a close friend of Armand Hammer.

In short, Manatt's law firm was trafficking with a top Soviet spymaster.

The middleman for the deal between Tunney and Gvishiani was one David Karr (an intimate of both California Sen. Alan Cranston and the Kennedy family). Accused by the Israeli intelligence services of being a gun-smuggler to Idi Amin, Qaddafi, and the PLO, Karr served in the 1940s in the Office of War Information, despite the fact that he began his career as a writer for the Communist Party U.S.A.'s *Daily Worker*. This recognized KGB asset ended his career when he died from what his wife called "unnatural causes" just after returning to Paris from Moscow.