

# **EIR**SpecialReport

## **The sleaze factor in the Democratic Party**

by Kathleen Klenetsky

To anyone familiar with the seamier side of U.S. politics, the Democratic Party's disclosure that it is making the so-called sleaze factor in the Republican Party a major theme of the 1984 presidential campaign must have provoked gales of laughter.

Talk about the pot calling the kettle black!

As we will document in this report, the current leaders of the Democratic hierarchy, emphatically including Democratic National Committee chairman Charles Manatt, Walter Mondale, and Gary Hart, operate as assets of the international organized-crime syndicate which controls the multibillion-dollar global drug trade, the child porn industry, prostitution, and the lucrative illegal traffic in arms, gold, and diamonds.

This network includes all the "big names" of international crime, from Robert Vesco and Bernie Cornfeld of the Investors Overseas Services (IOS) swindle and Tibor Rosenbaum's Banque du Credit International, through Meyer Lansky's Resorts International and Permindex, the organization behind the assassination of John F. Kennedy. As *EIR* has previously documented, these criminal networks interface directly with the major banking centers in Switzerland, London, and New York, and collaborate on a regular basis with the Soviet Union's massive "underworld" activities.

A major component of the Democratic Party-organized crime nexus is the Anti-Defamation League of B'Nai B'Rith. Ostensibly established to protect Jews from anti-Semitism, the ADL actually serves as a cover for organized crime. Between the years 1971 and 1976 alone, several leading ADL officials and ADL-affiliated institutions have been brought before state and federal authorities for crimes of embezzlement and related offenses involving in aggregate over \$150 million. Among these cases were: Robert Vesco's theft of \$60 million in funds from IOS; outlawed Italian Propaganda-2 Freemasonic lodge financier Michele Sindona's embezzlement of over \$27 million from Franklin National Bank in New York; and David Graiver's looting of over \$40 million from American Bank and Trust. These three cases were part and parcel of a major Meyer Lansky-linked



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*The Democratic Party under the regime of Jimmy Carter, Walter Mondale, and Charles Manatt (shown above), has become a tool of the Hollywood dope mafia. Here Carter's constituents demonstrate during the 1976 election.*

organized-crime reorganization which took place during the 1968-76 period, a reorganization in which the ADL played a major part and which corresponded to a top-down revamping of the Democratic Party by the same networks.

As we shall see in the following pages, both the ADL and its more overtly organized-crime collaborators now function as the political and financial backbone for the Manatt-Harriman grouping in the Democratic Party. Without an examination of this criminal network, it is impossible to understand why the Democratic Party has degenerated to the point where it is seriously considering making Fritz Mondale its standard-bearer in the November elections.

### **The fall of the Democratic Party**

It used to be the case that the Democratic Party, at its best, represented an alliance of labor, business, farmers, and minorities committed to the prosperity and well-being of the country. This was particularly true during Franklin Delano Roosevelt's third and fourth terms.

But the party has fallen so far from those days that it can hardly be recognized as the same institution. In the last few decades, the party has come increasingly under the control of an unholy marriage of "liberal" oligarchical families like the Harrimans and outright organized-crime networks. This is the machine which put Jimmy Carter in the White House, secured the Democratic national chairmanship for Charles Manatt, and is now buying up the Democratic presidential nomination for Walter Mondale. Ironically, as Democratic presidential candidate Lyndon H. LaRouche has repeatedly pointed out, this is essentially the same network which con-

trols the dirtier chunks of the GOP—as "Republican" Henry Kissinger's extensive connections to Walter Mondale and Gary Hart suggest.

Thanks to this network's stranglehold, the Democratic Party no longer represents any principled positions whatsoever. Instead, it has made itself a lobby group for the decriminalization of narcotics, for gay rights, euthanasia, and population control. The Democratic Party has put its official imprimatur on corrupt policies that are totally at odds with U.S. national interests:

- While screaming about "the poor," the party has supported the usuriously high interest rates pushed by Federal Reserve chairman Paul Volcker—a Carter-Mondale appointee. The usurious interest rates benefit only the speculators—like the party bosses.

- It has lined up solidly behind the International Monetary Fund's austerity conditionalities for the Third World.

- On strategic policy, the party has become an open propaganda arm for Moscow, echoing the Kremlin's line that the Reagan administration's strategic defense program represents an intolerable "provocation" to the Russians, and opposing all efforts to protect U.S. interests and any other nation's sovereign interests abroad. Leading Democratic elected officials have so far abandoned loyalty to their country as to submit defense-related legislation to the Soviet embassy for approval!

Given the sordid organized crime networks lurking just behind the scenes, it is no surprise to find the party leadership endorsing such policies. And it is no surprise that the majority of Democratic Party candidates with official backing from

Manatt and Mondale are moral degenerates, individuals whose personal lives make them easily susceptible to the kind of sexual and other blackmail in which the KGB specializes.

### Corruption and moral pathology

The current crop of Democratic Party presidential contenders—apart from dark horse candidate Lyndon LaRouche, the challenger to the corrupt Democratic machine—exemplifies the process of moral degeneration which has gripped the party. Gary Hart is a reputed wife-beater and bed-hopper whose lies about his true name and age point to a pathological personality. Jesse Jackson's organizations have received money from Libya, one of the major promoters of international terrorism. This, not conviction, explains why Jackson himself has dragged his feet in censuring thug worker Louis Farrakhan, despite his repeated anti-Semitic outbursts.

But neither Hart nor Jackson holds a candle to Fritz when it comes to moral turpitude. The man first in line to get the Democratic presidential nomination has a personal and political history which might suit him for the Babylonian priesthood, but certainly not for the White House. Mondale has long been dependent on various mood-altering drugs for his daily functioning. He is part of an international "humanist" network which champions euthanasia, genocide, sexual perversion, drug abuse, and the destruction of the nation state. He patronized People's Temple cult leader Jim Jones, and played a crucial role in helping Jones relocate his followers to Guyana where they committed mass suicide.

The Carter-Mondale administration is rightfully considered one of the worst in American political history. By the time Carter and his vice-president were driven from office, they had destroyed the U.S. strategic arsenal, wrecked the economy, and, in the "Billygate" affair involving the President's brother, concluded an open alliance with Iran's Ayatollah Khomeini and Libya's Muammar Qaddafi.

Mondale's current roster of campaign advisers includes a slew of Soviet collaborators, such as Robert Pastor, who was caught red-handed last October assisting the Soviet/Libyan-backed coup leaders in Grenada. And he has declared that the number-one priority of his presidential campaign is his war on the administration's beam-defense program—the program which could protect the United States and its allies from a Soviet nuclear attack.

Mondale's corrupt program has won him the glowing endorsement of the Moscow weekly *Literaturnaya Gazeta* May 30: "Mondale's lack of affectation and genuine show of dignity and respectability, should produce on the voters an impression of solidity, soundness, reliability."

By raising the specter of a Soviet-controlled Caligula as President of the United States, the enemies of Western civilization hope to destroy the fighting morale of the American citizenry. The dossiers which we publish here provide ample ammunition for patriots who do not wish to see their nation become a new Sodom and Gomorrah—or a satrapy of Moscow's empire.

# Banker Manatt and

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In the summer of 1981, shortly after Charles Manatt spent over \$75,000 to buy himself the Democratic National chairmanship, he announced that he had reached an agreement to sell his bank, First Los Angeles, to the Istituto San Paolo di Torino. Under the agreement, Manatt revealed, he and his law partner, Alan Rothenberg, would retain their directorships of the bank.

This was the first U.S. bank acquired by the huge Istituto San Paolo, and there was plenty of speculation as to why it would pay over \$60 million to acquire First Los Angeles rather than some older, more established institution.

The answer provides an important clue to the real Charles Manatt, the man who has presided over the Democratic Party's full emergence as a tool of the dope lobby and the Soviet Union.

The Istituto San Paolo, with deposits of over \$23 billion, is the 6th largest bank in Italy and the 63rd largest in the world. Headquartered in Turin, it maintains offices in Frankfurt, London, Munich, Paris, Zürich, and an agency in New York. It also owns the Sanpaolo Bank Ltd. in the Bahamas and has controlling interest in Sanpaolo-Lariano Bank S.A. in Luxembourg—two of the principal centers for "offshore" banking and dirty-money laundering. The bank functioned as the sponsor for Bernie Cornfeld's Investors Overseas Services (IOS) in Italy, laundering funds into Switzerland for Dope, Incorporated.

Istituto San Paolo's political connections are equally revealing. Located in Turin, a stronghold of the Italian Communist Party and headquarters of the Agnelli dynasty's Fiat motor company, the bank plays a major role in East-West trade and helped to finance the construction of the U.S.S.R.'s famous Togliattigrad—the auto city named after Italian communist Palmiro Togliatti. Italian magistrates investigating the attempted assassination of Pope John Paul II exposed the role of the country's East-West trading networks in providing a cover for drug- and gun-running and for terrorism. Finally, the Istituto San Paolo has come under suspicion for possible links to the notorious Propaganda-2 Freemasonic lodge.

In purchasing Manatt's bank, Istituto San Paolo was buying directly into one of the centers of organized crime and political influence-peddling in the United States.

Democratic National Committee (DNC) chairman Manatt is a millionaire banker and lawyer based in Century City, California. He represents a complex network of interlocking law firms, banks, and "entertainment industry" spinoffs,