

## 'Project Democracy': Moscow's hook into NSC

by Criton Zoakos

The Tower Commission's most important discovery, during its investigation of the functioning of the National Security Council, is Lt. Col. Oliver North's "Project Democracy." Unnamed government officials, speaking to the *New York Times*, the *Washington Post*, and other news outlets, described "Project Democracy" as both a covert and a parallel, overt, network of programs, institutions, and capabilities, which constitutes nothing less than a parallel foreign policy structure, beyond the reach of Congress.

Though fuller disclosures on the nature and extent of Project Democracy are not expected to be made public before the summer, *EIR* believes that at least two central features of the operation must be brought to the attention of both investigators and the public: First, this "parallel foreign policy apparatus" was very heavily under the influence of the Kremlin; and, second, one of the principal objectives of both the overt and covert components of Project Democracy was to run political interference against Lyndon LaRouche and his associates, including this publication.

According to the public account rendered by the *New York Times*, the White House computer files, as surrendered to the Tower Commission, show that Colonel North's secret notes refer to his alleged illegal activities respecting arms shipments to Iran and funding of Nicaraguan Contras as Project Democracy, and are replete with references to "Project Democracy companies," through which financial transactions were carried out. These are the "covert" aspect of Project Democracy. Its overt side is the National Endowment for Democracy, whose chairman is Carl Gershman, leader of the Social Democratic party of the United States.

According to the *New York Times*, "the project's open and secret parts were born as twins in 1982," and in "early August 1982, a White House memorandum calls for reexamination of the law in order to permit 'covert action on a broad scale' by the National Security Council under the project." In October 1983, Oliver North is appointed to head the covert arms of Project Democracy, for the NSC, while the public arm is headed by two other persons: John Richardson as president and Carl Gershman as chairman.

The public side of the operation receives \$60-80 million per year, which it distributes to a group of beneficiaries, under the supervision of Dr. Armand Hammer's friend Charles Z. Wick's U.S. Information Agency (USIA). Some 60% of the money goes to the **Free Trade Union Institute** of the AFL-CIO, led by former Communist Party chairman Jay Lovestone. Other recipients are the **Center of International Private Enterprise**, run by John D. Sullivan, formerly of the U.S. Chamber of Commerce, the Republican National Committee's **Republican Institute for International Affairs**, directed by a former top aide of Alexander Haig, Keith Schuette, and the Democratic National Committee's **Democratic Institute for International Affairs**, directed by ex-State Department official Brian Atwood. These have usually received 30% of the funds allocated by Congress to the National Endowment for Democracy. The remainder is said to have gone to journalists and academics closely associated with a very specific track, of which more below.

The so-called public arm of Project Democracy, the National Endowment for Democracy (NED), is not all that public, because, though funded by Congress, it is, by law, a

private foundation, exempt both from Freedom of Information Act scrutiny, as well as from any government financial audit. In this sense, the "public" arm is not very different from Oliver North's NSC's covert program.

### What is the Russian angle?

Readers of daily newspapers are aware, that certain activities of the National Security Council associated are lately looking more and more interesting. The latest is this: One of the NSC's "Project Democracy companies," the Dolmy Corporation, instructed a Danish shipping company, Queen Shipping, to go to the Polish port of Szczecin and pick up a shipload of AK-47 rifles. The shipping company promptly picked up the Soviet-made rifles, transported them to North Carolina, from where they were ultimately sent to the Nicaraguan Contras.

In short, the National Security Council, the nerve center of American national defense, carries out gun-running for the Soviet bloc—to the Contras.

Why?

During the summer of 1983, this author had a meeting at the Old Executive Office Building, with the then-acting head of the Soviet desk of the NSC, the youthful Dr. John Lenczowski, who was standing in for Prof. Richard Pipes, who had just then inexplicably resigned. The subject of our two-hour meeting was *EIR*'s estimation of the strategic threat to U.S. national security posed by the fast-expanding Russian chauvinist moods and tendencies inside the Soviet ruling elite, the famous doctrine that Moscow is destined to become the "Third and Final Rome." To my astonishment, Dr. Lenczowski, with considerable vehemence, argued that any tendency of Russian nationalism should be viewed favorably by the United States and be encouraged as a potential ally against the Soviet Communist Party.

Dr. Lenczowski's argument to me, summarized to its bare essentials, was that Russia's world expansionist tendency derived from its "Communist ideology," its "Marxist internationalism." My own conviction, then as now, was that Russia's expansionist threat derived from the deeper cultural orientation of the Russian state, going back to its formative 15th century—the perspective of the "Third and Final Rome" as Lyndon LaRouche has outlined this phenomenon. I argued that this Russian imperial tradition had found "Marxist internationalism" a convenient and useful "cover" for its expansion abroad, and that the determining factor in the policy-making process was the chauvinist Russian imperial program rather than "communism." Dr. Lenczowski insisted that, as far as the National Security Council was concerned, the problem is that there is "not enough" such Russian nationalism inside the Soviet Union, and that the notorious Rossiya Society, the Society for the Preservation of Historic Monuments, is unfortunately suffering setbacks and should be helped. (The Rossiya Society is a 12-million-member organization which, under Gorbachov, dominated the 27th Party

Congress in 1986.)

Seriously disturbed by the fact that the young and impressive Dr. Lenczowski was apparently sincerely committed to what he was saying, I left the NSC building and, on that same day, proceeded with a colleague of mine to a series of meetings at the headquarters of the U.S. Information Agency, determined to ascertain whether the NSC official's statements were his own opinions or actual government policy. At that time, the USIA was already under the direction of Charles Z. Wick, the scion of the notable Central European family of Zwick, and intimate friend of Moscow's friend, the billionaire Armand Hammer. Charles Wick's wife is the recipient of Armand Hammer's financial generosity. At any rate, that day's visits ascertained that the USIA, the Voice of America, and Radio Liberty's programs beaming in various languages into the Soviet Union, were geared toward spreading Russian nationalist propaganda, including two of its most forbidding elements, namely anti-Semitism and Old Believer or *Raskolnik* church masses which were beamed deep into Russia by the VOA's powerful transmitters.

A little digging on the spot, back then, ascertained that Charles Wick and James Buckley were in the middle of ripping up the old staff of Radio Liberty and Radio Free Europe in Munich, Bavaria, and replacing it with a bunch of fresh Russian immigrants, many of whom still carried their valid Soviet passports with their valid exit visas, and many of whom were suspected by the old-timers in the staff to be KGB agents. The USIA personnel purges in Munich were carried out under Russian-section director George Bailey, the leader of the Russian monarchist community in Paris and editor of the émigré magazine *Kontinent*. Bailey claims to be the propagandist of the pretender to the Russian throne Grand Duke Vladimir Romanov, who lives half the year in Paris and the other half in Madrid. In reality, the Grand Duke's immediate circle is essentially a Russian military intelligence cell, including Russian officers who had recently emigrated to the West. During the 1983 period, these circles were vehement supporters of both Marshal Ogarkov and of the program of reforms which was later pushed through by Gorbachov.

*EIR*'s own survey of the Russian émigré community in Western Europe and the U.S.A. during 1983, verified that a significant Russian nationalist revival was spreading with the systematic encouragement and sponsorship of Moscow. It is fair to say that Gorbachov's democratization and *glasnost* policy had begun in the overseas Russian communities three years before it was launched in Russia itself. And the National Security Council was in on this from the beginning, in 1983.

It turned out that Dr. Lenczowski, the proponent of Marshal Ogarkov's Russification program inside the NSC, was one of the key individuals who convinced President Reagan to accept the broader Project Democracy proposal. During 1981 he wrote an article in the magazine of the Heritage

Foundation, titled "A Foreign Policy for Reaganauts," in which he proposed to the new administration, the establishment of a combined government and private sector institution to carry out a foreign policy of spreading "private enterprise and democracy." As it turned out, the impressionable Dr. Lenczowski was advertising a project which was already in its formative stages under the aegis of the bipartisan American Political Foundation. The project was called The Democracy Program, and it was under the control of Ben Wattenberg, Anthony Lake, Richard Allen, Allen Weinstein, John Sullivan, Thomas Reed, and certain others.

Lenczowski's public agitation was coupled with other bureaucratic maneuvers from the State Department, including by two old Kissinger hands, Lawrence Eagleburger and R. Mark Palmer, and eventually produced President Reagan's June 1982 speech in the British Parliament, in which he announced his Project Democracy. In August 1982, the NSC bureaucracy arranged to employ the public arm of Project Democracy for covert operations. In January 1983, National Security Decision Directive No. 77 established the NSC's authority to coordinate Project Democracy activities. In October 1983, Oliver North is appointed coordinator, and in November, Congress approved financing for the National Endowment for Democracy.

### **The alternate foreign policy mafia**

Though not yet known, the public money which was given to the National Endowment for Democracy, probably went to finance the creation of a whole cluster of corporations which Oliver North refers to as "Project Democracy companies." They were used for a wide range of illegal operations, including support for the drug-running Contras, for Iran's homicidal maniacs, for various domestic pro-homosexual conservative causes associated with "Spitz" Channell and the late Terry Dolan's anti-LaRouche, anti-Proposition 64 activities (see page 59). At this point, it can be fairly said that *EIR* knows more about this Project Democracy phenomenon than the Tower Commission is willing to say in public—but, apparently will be saying, in a few months.

Our own information is based on our cumulative work over recent years, and our political wars with the parallel, illegal government structure associated, first with Henry Kissinger's NSC from 1969 to 1977, later with the Carter-Brzezinski NSC till 1981, and now with the post-1981 Reagan NSC which is being dismantled by Frank Carlucci and the Tower Commission. The cluster of persons and organizations involved centers around the legacy of the old 1920s Trust network of Morgan Guaranty Trust-financed Bolshevik leaders associated with the names of Nikolai Bukharin and Leon Trotsky. The institutional continuity of this political tradition was preserved by the law firm of Sullivan and Cromwell, and by the political networks  
ite, Communist Party founder Jay Lovestone, one of the leading controllers of Project Democracy today.

This political scheme, today, includes: Social Democrats, U.S.A. (SDUSA), League for Industrial Democracy, International Rescue Committee, Anti-Defamation League, Freedom House, AIFLD—the CIA's principal covert capability abroad—and individuals such as Roy Godson, Arch Puddington, Michael Ledeen, Herbert Romerstein, Jon Speller, et al.

Charles Z. Wick, Armand Hammer, Dwayne Andreas, and John R. Stevenson, senior partner of Sullivan and Cromwell, play a unique role, in association with the powerful Raisa Gorbachova, the head of the Soviet Culture Foundation in Moscow. They are presiding over an ambitious effort to force through a Russian nationalist cultural offensive in both the U.S.A. and Russia. Hammer, Wick, and Stevenson are the sponsors and executors of a series of "cultural exchanges" which have flooded the U.S. cultural scene with the works of Russian composers, performers, painters, and playwrights in the last two years. The purpose of this Russian cultural invasion, sponsored by Raisa Gorbachova, is aptly described by the President of the National Endowment for Democracy, John Richardson: "Cultural exchange can help to accommodate differing perceptions and expectations, facilitate cooperation in devising common strategies—above all to increase respect and appreciation for differing values, by far the healthiest approach toward reconciliation and convergence of values."

He said that in 1974, when he was assistant secretary of state for education and cultural affairs under Kissinger. Previously, he was a partner of Sullivan and Cromwell, together with a friend who is now the senior partner of Sullivan and Cromwell, John R. Stevenson, the chairman of the National Gallery, and gracious host to the Bolshevik Dr. Armand Hammer. John Richardson, the president of Project Democracy, and the Sullivan and Cromwell tradition, which began at 120 Broadway, in the 1920s when John Foster Dulles was promoting and financing the Bukharin faction of the Bolsheviks through the Russian Trade Bureau, are today very happy with the Gorbachov Russian nationalist mobilization. Also, Carl Gershman, the chairman of Project Democracy, is happy with Gorbachov—as the former executive director of SDUSA, is an American Bukharinite, i.e., a Lovestonite. All these passionate "anti-communists," all of a sudden have become Moscow-lovers. Why? Because they were never "anti-communists" in any meaningful sense. They adopted the self-designation "anti-communist" because their factional rival, Stalin, had won the political fight inside the Comintern in the 1930s. Had the Bukharin-Lovestone faction won then, Stalin would have been on the outs and a self-styled "anti-communist." At any rate, now that Bukharin is about to be rehabilitated by Gorbachov, one wonders if Dr. Lenczowski, wherever he is, thinks that he has accomplished his purpose. One thing is fortunate, however, and that is that this quasi-treacherous, quasi-idiotic policy structure, is being methodically dismantled.