

Lawrence Walsh indicts 'Project Democracy'

by Webster G. Tarpley

Independent Counsel Lawrence Walsh, with his April 29 indictment of Carl R. "Spitz" Channell, has set into motion a series of legal proceedings that promises to bring down all the trees in the forest of "Project Democracy," the conspiracy against the United States Constitution that is at the heart of the Iran-Contra scandal. In appearing before U.S. District Judge Stanley Harris to plead guilty to a conspiracy to defraud the federal government of tax revenues, Channell, the first criminal defendant in the Iran-Contra affair, was asked who his co-conspirators were. Channell responded by naming two persons: Lt. Col. Oliver North of the National Security Council, and Richard Miller, the president of International Business Communications (IBC), one of the entities depicted on the now-famous North flow chart published by the Tower Commission. As *EIR's* Special Report on Project Democracy has documented, Miller and IBC received appropriations of \$500,000 from the National Endowment for Democracy (NED), the public and official arm of Project Democracy, which is funded by Charles Wick's U.S. Information Agency and the State Department. IBC was also a recipient of \$1.7 million from the Lake Resources, Inc. bank account at Cr dit Suisse in Geneva run by Gen. Richard Secord.

With that, the status of the NED as a keystone of the conspiracy referred to by North in his notes as "Project Democracy," is well on its way to being proven in a court of law. The Tower Commission's refusal to concede that the NED is equivalent to Project Democracy, is exposed as incompetent, and the accuracy of *EIR's* assertions in this regard is once again confirmed. The NED, Project Democracy, and Channell's homosexual ring are the same network.

These new Irangate developments bring the Reagan presidency back under direct attack. Channell was paying \$20,000 per month to David Fischer, a former personal assistant to the President described as "Reagan's right-hand man, his door opener." The President was meeting personally with

contributors brought in by Channell. The White House was at pains to point out that the President is "not part of the conspiracy." Previously, Senator Inouye had been stressing that Reagan faced further embarrassment and injury in the scandal, and that he was much more knowledgeable than might appear.

Mossad attempts a cover-up

Walsh's move against Channell, who will cooperate with the independent counsel's probe, is a first counter to efforts by forces of the Israeli Mossad and the Zionist lobby to sabotage Walsh's investigation and protect the numerous Israeli Project Democracy assets who are up to their necks in the Irangate quagmire.

Key to the Israeli sabotage and cover-up campaign are the two Mossad-manipulated congressional select Irangate committees, whose public hearings will commence on May 2, with appearances by General Secord and Robert McFarlane. The point-man here is Arthur L. Liman, the chief counsel to the Senate committee. Liman's moral essence is best summed up in the fact that he has been a lawyer for Robert Vesco, the drug-pushing mass murderer and heir to the Meyer Lansky organized crime family who currently operates out of a safe haven in Castro's Cuba. Liman is a member of the New York law firm of Paul, Weiss, Rifkind, Wharton, and Garrison, and has numbered among his other clients Dennis J. Levine of Drexel-Burnham, who pleaded guilty to insider trading charges, organized crime figure John Zaccaro, Steven Ross of Warner Communications, and corporate raider Carl Icahn. Liman's counterpart on the House committee is John Nields, formerly a lawyer for the House Ethics Committee during the Koreagate investigation of the late '70s.

The Mossad coverup tactic has been to play the congressional committees against the Walsh

Sen. Warren Rudman (R-N.H.) launched a raving attack on Walsh, accusing him of drawing his probe out “ad nauseam” in pursuit of “some grand, wild conspiracy.” Rudman demanded that Walsh drop the conspiracy investigation, confine himself to the question of obstruction of justice in the fall of 1986, and wrap up his inquiry as swiftly as possible.

The congressional committees, which have the technical power to overrule Walsh in any disputes, have been avid to grant limited immunity to a number of principals in the case. During the last week of April, Walsh clashed with the congressional committees over the question of immunity for Thomas Clines, the right-hand man of Theodore Shackley, whose activities are described in *EIR*'s Special Report. Walsh insisted that Clines get no immunity because he is “a principal” of the criminal investigation, and apparently carried the day. But the congressional committees, after granting immunity to 11 persons, including Albert Hakim, have now granted immunity to Adm. John Poindexter, under a special arrangement that will delay his testimony. Moves were also underfoot to grant immunity to Colonel North.

During his recent visit to the United States, Israeli Prime Minister Yitzhak Shamir had offered a solemn promise of full disclosure and cooperation with the U.S. investigations. What Shamir's government delivered then was chicanery: The Israeli representatives told the State Department that financial data and other material pertinent to the investigations would be turned over to the congressional committees only if the United States stipulated a blanket, *a priori* guarantee of immunity for all the Israeli citizens involved (Schwimmer, Nir, Nimrodi, and Kimche, to name a few). In addition, the Israelis demanded veto power over what, if any, parts of the material might become public. Then, according to the *Washington Post*, there was another Israeli condition: “They have also asked for an assurance that the committees will not provide the material to independent counsel Lawrence E. Walsh. . . . A prime concern of the Israelis is that their citizens not face prosecution from Walsh. Walsh met with Israeli Ambassador Meir Rosenne last week and said he would not be bound by any agreement that had been reached with the congressional committees.”

Walsh's interim report

Walsh's response to the sabotage tactics coming from Capitol Hill was contained in a unique document entitled “Immunity and Prosecution: A First Interim Report.” Here Walsh answered his critics and indicated the broad outlines of his probe. One striking aspect is the scope of the inquiry. According to Walsh's report, “Ongoing investigations are presently being conducted at the White House, the Office of the Vice-President, the National Security Council, the President's Intelligence Oversight Board, Department of Defense, Department of Justice, Department of State, Department of Transportation, Department of the Treasury, and the Central Intelligence Agency. Requests for documents and information have been addressed to thirteen foreign coun-

tries,” including the Swiss government, which has promised cooperation. Walsh, explicitly rejecting Rudman's demands that his inquiry be aborted, points out that “an ample basis” has been developed for the probe, with “most lines of inquiry” proving fruitful, and none of them having been abandoned so far. Walsh warns against further grants of immunity by the congressional committees, noting that in the Watergate scandal, “no immunized witness who refused to plead guilty was successfully tried and convicted.” Walsh says that the “allegations in the investigation concern possible violations of public trust and possible misuse of position by high government officials and their manipulation by former government officials. Large sums of money are unaccounted for and those most knowledgeable resist public disclosure.” Walsh concludes that “further grants of immunity to central figures in the investigation will jeopardize their prosecutions and may prevent a fair and judicious assessment of individual culpability.”

Walsh's tactic of exerting public political pressure on Inouye and Rudman appears to be working: Following the release of the interim report, the two senators issued a joint statement saying they were “not contemplating additional grants of immunity to other central figures.”

Reliable sources report that Walsh is in the rare position in Washington political life of having a vested interest in probity and incorruptibility. According to this source, it is clear that the Walsh investigation has taken on a life of its own, and has the potential of bringing down the entire government—a fact that has terrified several members of the Reagan cabinet.

FBI Director William Webster, in a transaction designed to obtain nomination as CIA director from the Senate Intelligence Committee, consigned to the wolves his deputy, Oliver B. “Buck” Revell, who is still hanging on as executive assistant director and number two at the FBI—although not for long. According to Webster's testimony, in April 1986, Oliver North called Revell to request a delay in a scheduled appearance by Richard Miller before a Philadelphia grand jury, in the case of one Mousalreza Zadeh, an Iranian posing as a Saudi prince accused of having defrauded a Philadelphia bank. Miller, as we have seen, is an object of renewed interest because of Channell's naming him as a co-conspirator. Revell first admitted he had requested a delay of the grand jury appearance of the “prince,” but then on April 17 changed his story to say that he had only asked a U.S. attorney for information.

Webster noted that it was “highly unusual” for Revell to attempt to delay a grand jury appearance. “He should have consulted with me first,” said Webster to the senators. “It's the kind of thing I expect to be advised of. . . . We've had discussions about it.” Webster said that Revell's lapse was unprecedented in Webster's nine-year tenure as FBI director, and “clearly an oversight.” Webster said that Revell “had lost some sleep” over the affair. Webster got the CIA post, but Revell's prospects are bleak.