

C. Boyden Gray: the Bush administration's hoaxster

by Joseph Brewda

Over recent weeks, White House counsel C. Boyden Gray has been at the subject of much media controversy over his alleged battles with Secretary of State James Baker III. According to line being put out by such newspapers as the *Washington Post* and *New York Times*, Gray has been in constant opposition to Baker out of his concern to defend the constitutionally mandated powers of the presidency.

Gray first reportedly clashed with Baker during the latter's nomination hearings, when he demanded that the nominee sell a large chunk of stock he held in Chemical Bank. News of the dispute was leaked to the *Washington Post*, allegedly by Gray, with the consequence that Baker was forced to sell his interest in the bank, to his considerable irritation. While Gray was ostensibly motivated out of conflict-of-interest considerations, this same supposed concern did not lead him to object to the nomination of Kissinger Associates president Lawrence Eagleburger as deputy secretary of state. The nomination of Eagleburger, and selection of his Kissinger Associates partner Brent Scowcroft as national security adviser, are the worst possible decisions, if only from that limited standpoint.

Then, at the end of March, our would-be guardian of public virtue publicly criticized the secretary of state's Central American accord, worked out with Congress, as encroaching on the President's powers. Gray portrayed the agreement as amounting to a legislative veto, although the counsel surely knew, as Baker has admitted, that the entire package was worked out with Soviet Foreign Minister Eduard Shevardnadze weeks earlier, prior to being submitted to Congress. Shortly after those comments, White House Chief of Staff John Sununu sharply rebuked the Bush counsel, leading some press to speculate that Gray's days are numbered.

Those who hope that the alleged personality conflict might signal some underlying policy conflict, with Gray on the side of the Constitution, should think again. The same media fanning the so-called controversy have also been spewing out disinformation to the effect that Baker and the Bush administration's unofficial strongman Henry Kissinger are at odds.

In fact, Kissinger and Baker have identical policies. It would seem the Gray-Baker battle—whatever personality conflicts there may be—is designed to depict Gray as some sort of loyalist to constitutional principles.

That Gray is not on the side of the Constitution is attested to by none other than Lloyd Cutler, the chief propagandist for replacing the Constitution with a system officially modeled on Britain's, but actually on Mussolini's. Cutler has taken Gray's side in the media spat, gushing that Gray was a "citizen-statesman" in the "tradition of Cincinnatus." Cutler is Gray's former law partner, and also the former counsel to President Jimmy Carter, whose term in office did so much to erode constitutional government.

That Bush would get rid of Gray, at least in the immediate future, is not to be expected. After all, as former counsel to the vice president, Gray knows where all the Iran-Contra bodies are buried, and is better situated, if he so chooses, to blackmail Bush than numerous other officials with less complete, though still damning, files. Gray also knows all about Bush's role in the imprisonment of Lyndon LaRouche, having played a significant role in the operation.

Of equal or greater significance in Gray's hold on Bush, are the ties of the Bush and Gray families. Boyden Gray's father, Gordon Gray, was one of the most powerful intelligence officers of the 1950s, serving as both President Truman's head of covert operations and President Eisenhower's National Security Adviser. During the period that Gray oversaw these intelligence operations, he was a confidant of Sen. Prescott Bush, then a key figure on the Senate Banking Committee. Gordon Gray was among the circle that helped young George Bush get his start in the CIA.

Gordon Gray continued playing a powerful role in the U.S. intelligence community throughout the 1960s and 1970s as a member of the President's Foreign Intelligence Advisory Board, a board whose role in protecting Bush during his post-Watergate tenure as CIA director should not be underestimated.

Despite these deep connections, an upcoming series of international scandals targeting Bush for his Irangate role and

other dubious activities, may soon force a besieged Bush White House to terminate Gray's career. These areas of scandal, now being investigated by several nations' press, are summarized below.

Gray and the Iran-Contra affair

Under National Security Decision Directive 3 (decreed in 1982), Vice President Bush was made the nation's top intelligence officer, with the included responsibility of overseeing all U.S. covert operations. Consequently, Vice President Bush had formal oversight over every aspect of the Iran-Contra deals. Despite the fact that NSDD 3 has now been declassified and proves that the celebrated Col. Oliver North was merely his subordinate, Bush continues to wildly lie that he "knew nothing."

As counsel to Vice President Bush, Gray was witting of Bush's oversight over the Iran-Contra deals, and also one of his more important operatives. Among Gray's major jobs was to protect the Vice President, and now President, from being exposed.

Gray's role parallels that of his law partner, Lloyd Cutler, when the latter was Carter's counsel. Cutler was central to protecting the White House from being exposed for orchestrating the overthrow of the Shah of Iran and the installation of Ayatollah Khomeini. Cutler also oversaw aspects of the U.S. arms smuggling to Iran that were later overseen by Gray.

Instances of Gray's role in protecting Bush include:

- On July 29, 1986, Vice President George Bush met with Israeli intelligence official Amiram Nir in Jerusalem, on the subject of releasing Iranian hostages. Three days before this meeting, one of the hostages, Reverend Jenco, was released. The day following the Bush-Nir meeting, President Reagan authorized a new shipment of Hawk missile parts to Iran. Bush, nonetheless, preposterously claims he was not informed of anything dealing with the Iran-Contra scandal.

- Details of the Bush-Nir discussion were recorded in notes by Bush aide Craig Fuller. These notes were deleted at administration request from the Senate Intelligence Committee's report on the Iran scandal. Sen. Richard Cheney's role in covering up for Bush, as minority chairman at the committee, may have something to do with why he is now defense secretary.

When news of the suppression of these notes leaked out, Bush's counsel Gray was detailed to explain the administration's "lapse" on this issue. Mossad official Amiram Nir subsequently died in a plane crash in Mexico last fall, one of several individuals having the goods on Bush who have met their doom.

- In December 1987, Gray was trotted out to explain why Bush had inadvertently issued an "incomplete" chronology of his dealings with the Contras. It seems that Bush had omitted to report that Col. Samuel Watson, part of his national security staff, had taken two trips to Honduras to tour

Contra camps.

- In May 1987, Gray was forced to explain why a second, revised chronology of Bush's actions also, somehow, failed to mention that Watson had also met with Felix Rodriguez (a.k.a. Max Gomez), the CIA case officer for the Contras; Col. Oliver North's aide Col. Robert Dutton; and Gen. Richard Secord in the Vice President's offices.

Bush has always downplayed the significance of his own meetings with Rodriguez, and the meetings of another of his staffers, CIA officer Donald Gregg, with the same operative.

That Bush met such operatives was not surprising: he ran the policy under which they operated.

Gray, Howard, and Tucker

In April 1986, Boyden Gray was detailed to hold a meeting with Gary Howard and Ronald Tucker, two low-level operatives who ran Peregrine International, an intelligence proprietary based in Bush's home town of Midland, Texas. Both Howard and Tucker played roles in a variety of arms deals with Iran, beginning with their involvement with the Texas-based operations of arms smuggler Ian Smalley in 1981. Still later, they were deployed to work out of the U.S. embassy in London on behalf of the policy of supporting Khomeini.

One of their key associates in this regard was one Cyrus Hashemi, who had been the Khomeini link to the White House and CIA back during Cutler's days in the Carter administration. Hashemi later died suddenly in July 1986 in England—widely presumed to have been murdered—just prior to his testimony in the Samuel Evans trial, a \$2 billion Iranian arms smuggling case in New York which implicated Bush and William Casey. While that case was later thrown out of court, former defendant Hermann Moll has since publicly stated that Bush was "100% behind" their arms deals. For similar reasons, the U.S. and British government blocked crucial testimony in a 1988 British arms-smuggling case against Michael Aspin. Aspin also knows "where the monkey sleeps."

The purpose of Gray's meeting with Howard and Tucker, however, was not merely the Iranian deals. The primary purpose was to coordinate Bush's illegal efforts to frame up presidential candidate Lyndon LaRouche. At Gray's direction, Howard and Tucker attempted to entrap LaRouche in a cockamamie scheme to smuggle Soviet physicist Andrei Sakharov out of Russia. At Gray's direction, the duo also peddled the line that LaRouche was attempting to hire assassins to kill drug pushers in Colombia. That line served to justify a series of actions against LaRouche, on "national security" grounds.

Tracing Gray's operations, and his links to Howard and Tucker, back through Pulaski County, Virginia, and Reading, Pennsylvania, is not unimportant in implicating the then Vice President and also the CIA in certain unexplained features of the Nicaragua harbor mining.

When a U.S. court in Boston agreed to subpoena Bush's office files regarding its relations with Howard and Tucker in 1987, in the context of *U.S. v. The LaRouche Campaign et al.*, the case was rather quickly shut down in a mistrial. It was only later reconvened in Alexandria, Virginia, in a second phase of the frameup.

Gray and deregulation

For all of candidate Bush's complaining about Reagan's "voodoo economics" during his ill-fated 1980 presidential campaign, it was the vice president who later personally oversaw the implementation of the Reagan administration's deregulation policies. That policy has more than a little to do with the administration's ecological hoaxes today. It was Bush who chaired the President's Task Force on Regulatory Relief. Bush appointed Gray to be the task force's counsel and de facto executive officer in 1981, a position which reportedly took two-thirds of Gray's time.

Commenting on Gray's role at the task force, "Public Citizen" president Joan Claybrook stated, "I think he's a fine example of the fox guarding the chicken coop. He worked in private practice representing the auto and many other industries, and for the past two and a half years, he has played a major role in deciding which regulations will survive, or be scrapped."

The task force made recommendations on a number of issues which were not without personal and political interest to Bush and Gray, including recommendations on the oil and gas industry, banking, the pharmaceutical industry, the environment, and related issues.

So, for example, the Bush-Gray task force released a report on alternative fuels in July 1987 which pushed the use of methanol as automobile fuel rather than the competing, "ecologically sound" ethanol. The report's release was timed to coincide with a deadline specified by the Clean Air Act which penalized municipalities with an alleged excess of carbon monoxide and "ozone-layer harming emissions." As a result of this deadline, at least 14 metropolitan areas lost large federal highway grants for being excessively polluting. The push for substitute fuels, at least for municipalities, became compelling. Methanol would replace gasoline in this new Bush/Gray scheme.

Bush, of course, has received substantial support from the petroleum industry, which produces methanol products, and Bush's presidential campaign fundraising was led by Robert Mosbacher, the Texas oil man who is now commerce secretary.

The alternative "non-polluting" fuel is ethanol, which unlike methanol, is produced from grain. Since 1978, would-be President Sen. Robert Dole, has championed legislation which has exempted ethanol-blended gasohol from the federal excise tax on gasoline. Dole is controlled, at least on this issue, by Dwayne Andreas, whose Archer Daniels Midland controls 50% of the domestic ethanol market.

The Reagan-Bush administration repeatedly attempted to kill this tax break favoring the "non-polluting" gasohol, while pushing Mosbacher's alternative, methanol, all, it is said, in order to "save the ozone layer."

Drug company tax evasion

In a similar fashion, back during 1982, Vice President George Bush intervened with the U.S. Treasury to urge it to modify proposed rules which would have forced pharmaceutical companies to pay significantly more taxes. Prior to becoming vice president, Bush had been a director of Eli Lilly, the pharmaceutical company which had served as the CIA's major supplier of LSD during its experiments with mass mind control. When Bush took office, he owned \$145,000 in Lilly stock. Prior to working for Bush, Gray had been one of the pharmaceutical industry's top lawyers.

In March 1982, Bush sent a letter to then Treasury Secretary Donald T. Regan, protesting the elimination of Section 936 of the federal tax code which allowed drug companies to write off \$400 million a year in taxes, simply by producing drugs in Puerto Rico. On April 14, 1982, Bush sent another letter, drafted by Gray, saying that he "must now disengage" from any further discussion of the matter, because he felt "uncomfortable about the appearance of my active, personal involvement in details of a tax matter directly affecting a company with which I once had close association." Despite this, he had already succeeded in blocking the proposed new regulation, acting in concert with a strong drug company lobbying campaign.

The tax break in question allowed pharmaceutical houses, among other companies, to have their taxes reduced by \$43,000 a year for every job they created in Puerto Rico, while the average salary of these jobs so created was a mere \$13,000. In 1978, drug companies accounted for half of the more than \$800 million in claims through the scheme. One of the biggest tax evaders was Eli Lilly, which also gave its tax-exempt Puerto Rican subsidiary the patent rights to its most profitable operations, while retaining all marketing expenses for these products at its Indianapolis headquarters.

In the above-cited letter, Gray denied that Bush had any actual conflict of interest in preventing new regulations from ending such schemes. Gray even lied that Bush had sold his Lilly stock in 1978.

This is not the only example of Bush and Gray intervening on behalf of the pharmaceutical interests.

- In 1986, Bush phoned Rep. Henry Waxman (D-Cal.) to ask Waxman to drop his opposition to a bill permitting drug firms to export drugs not approved for sale in the United States.

- In 1987, the Reagan administration's new regulations, as recommended by Bush and Gray's task force, scaled back Food and Drug Administration scrutiny of the first phase of clinical drug trials, a provision demanded by the pharmaceutical houses.