William Barr, the Bush clique, and their friends at Dope, Inc.

by Anton Chaitkin

Two members of George Bush’s covert action team, former U.S. Attorney General William Barr and Lt. Col. Oliver North, both plunged into Virginia politics this year. Barr was head of the governor’s commission to abolish parole, proposing to make prison inmates slaves under private corporate control. North was promoted for the U.S. Senate as a “law and order” candidate.

Oliver North became world famous in the 1980s as a smuggling manager in the Iran-Contra drug-running and gun-running affairs.

William Barr, though little known to the public, is a top lawyer for the same criminal covert action team. He was also Attorney General in the Bush administration, when Lyndon LaRouche, then a political prisoner, submitted six volumes of new evidence proving that the government always knew he was innocent, evidence which the Justice Department and the courts refused even to look at. We shall report here on Barr’s unusual career, protecting the political and financial managers of the world narcotics trade.

William P. Barr was born in 1950. But he has certainly been seen before on the world stage.

It was no doubt Mr. Barr who, under a different name, appeared in Plato’s “Gorgias” dialogue. The character Callicles, an aristocratic thug, arrogantly confronts Socrates on the question of Justice. Callicles claims that “those who framed the laws are the weaker folk, the majority. And accordingly they frame the laws for themselves and their own advantage . . . to prevent the stronger . . . from gaining the advantage over them . . . Seeking an advantage over the many is by convention said to be wrong and shameful, and they call it injustice. But in my view nature herself makes it plain that it is right for the better to have the advantage over the worse . . . And both among animals and in entire states and races of mankind it is plain that . . . right is . . . [the] advantage of the stronger over the weaker.”

Callicles asserts that anyone who pursues philosophy, i.e., the truth, must be “entirely unacquainted with all the accomplishments requisite for a gentleman and a man of distinction,” and such a truth-seeker should expect to be falsely accused and put to death.

Let us now observe William Barr on the modern stage, playing a leading role in the biggest criminal banking fraud case in world history.

Blocking the BCCI investigation

Executives of the Bank of Credit and Commerce International (BCCI) were indicted in October 1988, on charges they conspired with cocaine traffickers to launder millions of dollars in narcotics profits. Forty U.S. and foreign banks, evidently complicit in the international drug trade, were subpoenaed to produce records before a Tampa, Florida grand jury. A majority of those subpoenaed had earlier been named in EIR’s best-selling book, Dope, Inc., as among those leading British and allied Wall Street banks in the business of washing dope money.

BCCI was further exposed as an instrument for the transactions of Oliver North and his associates, who had been criminally employed by Vice President George Bush in the Iran and Contra operations.

But George Bush was elected U.S. President just weeks after the BCCI indictments. In December 1989, Bush ordered the U.S. bombing and invasion of Panama, killing thousands. Panamanian Gen. Manuel Noriega, who knew the dirtiest drug-pushing secrets of BCCI, Bush, and North, was kidnapped and imprisoned in Florida.

Under the leadership of Attorney General Richard Thornburgh and William Barr, who was then an official in the Bush Justice Department, the BCCI investigations were stopped. Plea bargains protected the world’s top drug bankers, and protected President Bush and his criminal employee North. In exchange for leniency, officials of BCCI agreed to help Bush prosecute General Noriega for alleged drug trafficking.

Barr, who had a startling private relationship to BCCI, and who had drawn up the spurious legal rationale for the attack on Panama, was then appointed U.S. Attorney General. He reached a final settlement of the BCCI case, foreclosing all further investigations of the BCCI-linked drug apparatus.

Initiation into the Bush team

We shall now trace Barr’s route to political power, observing his early initiation into the Bush covert action machine.

Barr reportedly decided, while still a high school student, that he would one day be the head of the Central Intelligence Agency. He joined the CIA’s internship program while he

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was a Columbia University graduate student in 1971, and went to work full time for the CIA when he left Columbia in 1973.

During his first two years with the Agency, Barr worked for the intelligence directorate in the China department. He would soon cross paths with George Bush, who went to Beijing in 1974 as Secretary of State Henry Kissinger's liaison chief to the Communist Chinese government.

Barr was already in the CIA's legal office in 1976 when Bush became Director of Central Intelligence. Bush promptly brought back assassinations manager Theodore Shackley as associate deputy CIA director for covert operations, along with Shackley's deputy Thomas Clines. Shackley had been the head of the CIA Miami Station in the early 1960s, following the disastrous invasion of Cuba. Shackley and Clines had assembled the Cuban irregulars, who had been trained as assassins and smugglers, into a permanent covert action force. Men like Felix Rodriguez had served under Shackley as he ran the opium-growing projects in Laos and the Operation Phoenix mass murder project in Vietnam.

Shackley's Cubans had turned up as the 1972 Watergate burglars, paid by George Bush's Texas political machine. Shackley would later serve as George Bush's speechwriter in Bush's campaign against Ronald Reagan for the 1980 Republican presidential nomination. When Bush got in as vice president instead, Felix Rodriguez and Oliver North together would supervise the Contras' drug running, out of George Bush's vice presidential office.

William Barr joined this team as it matured under George Bush's hand at the CIA. Barr prepared briefs for Bush's stonewalling responses to congressional probes, led by Sen. Frank Church and Rep. Otis Pike, that attempted to bring the Bush and Kissinger covert action under the rule of American law.

George Bush made one extraordinary change at the Agency which was never publicized beyond the ranks of the intelligence community. Bush committed the United States to share with Great Britain's secret service the fruits of U.S. satellite surveillance throughout the world. This action dismayed many in the American service who had seen traitors such as Kim Philby as the very heart of the British Crown's leadership grouping. But Bush's official intelligence policy change reflected his deep-seated ties to Britain, from his father, Prescott Bush's, banking partnership with Averell Harriman in British geopolitical schemes from the 1920s to the 1950s. This Anglo-Bush faction of the intelligence community would soon fashion BCCI into a global criminal instrument.

Jimmy Carter won the 1976 presidential election, and refused Bush's request to stay on as CIA director. Barr was one of the many CIA men who left the Agency after Bush's departure in 1977. Ted Shackley led the Association of Former Intelligence Officers and corralled these men into a private intelligence clique around George Bush.
On George Bush’s recommendation, the 27-year-old Barr was hired in 1977 as clerk to Federal Circuit Court Judge Malcolm Wilkey. During the 1960s, Wilkey had been general counsel to a copper-mining conglomerate operating in Chile under the political management of Prescott Bush’s banking partner, Spruile Braden. Salvador Allende became Chile’s President and confiscated Braden’s huge El Teniente mine; Allende was soon overthrown and murdered in 1973.

In 1976, Chilean opposition leader Orlando Letelier had been blown up by a car bomb in Washington, D.C. Though the U.S. media generally blamed the Chilean secret police for the killing, it was well established that then-CIA director George Bush had penetrated the Chilean agency and had squelched all U.S. police investigation into the murder. Barr’s new boss, Malcolm Wilkey, later served as George Bush’s ambassador to Uruguay and arranged cool-out payments to Chileans who might have fingered Bush’s CIA for the Letelier bombing.

Later, in 1992, Chile’s Supreme Court decided that President Bush could be legally ordered to appear in Chile, to testify on the role of the CIA in the Letelier case; Chilean generals claimed they had been wrongly blamed for the killing, and that Bush’s CIA ordered the 1976 bombing. The U.S. chief law enforcement officer, Attorney General William Barr, did not respond. But what he did, was to hire Malcolm Wilkey as a special prosecutor to intimidate the Democratic Congress in the House Post Office affair.

On Judge Wilkey’s recommendation, Barr started in October 1978 as an associate of the Washington, D.C. law firm Shaw, Pittman, Potts, and Trowbridge. Barr immediately took up the representation of B.F. Saul II, a Maryland real estate magnate who only a few months earlier had become chairman of Financial General Bankshares. In his later testimony to the Senate hearings on his confirmation for Justice Department posts, Barr revealed that he had represented B.F. Saul beginning November 1978, and in 1979, 1981, and 1982.

This was an extraordinarily important stretch of time in his client’s life. During this period, Financial General was taken over in stages by BCCI, a London-based bank with Arab and other principal investors tied to Anglo-American intelligence. Saul’s Financial General Bankshares changed its name to First American Bankshares, and functioned as the Maryland, District of Columbia, and Virginia arm of the British spook-bank BCCI.

What did Barr really know about BCCI?
A decade later, the worldwide scandal would begin with the British taking regulatory action against BCCI in London. British newspapers called BCCI a front for the CIA. The scandal culminated in the prosecution of the elderly Clark Clifford, who at a certain point replaced Saul as chairman of First American.

In America, much of the scandal centered around the “secret” ownership of First American by the BCCI group of investors, in violation of U.S. banking laws requiring transparency of bank control. William Barr told the Senate that the government could not have prosecuted BCCI earlier, because it had not discovered this secret BCCI involvement in First American until a decade after the fact. But to whom was it secret? Had it really been a secret to Attorney General Barr?

Regardie’s magazine of May 1990, quoted Clifford that B.F. Saul “had occasion to go to London, maybe more than once. He had occasion to go to the Middle East, the Persian Gulf countries. I remember later on his talking with me, and he said, ‘I have looked into the reputation, particularly of the leader of the group, of His Excellency Sheikh Kamal Adham’ [chief of Saudi intelligence]. And he said; ‘It’s difficult to recall a time when I have heard such universal commendation for an international businessman. I hear it in London. I’ve heard the most commendatory comments. I’ve heard about him in the countries of the Persian Gulf. I have not heard one whisper of criticism against this man.’ And he said, ‘I feel perfectly comfortable about this group, headed by this man, coming in and taking over our banks.’ ”

Attorney William Barr’s client during the takeover, B.F. Saul, tried to put a different spin on the matter. He told Regardie’s: “I never did go to the Middle East to meet him. I think I met Kamal Adham in Washington once. I don’t think I ever met him in London. I met him for 20 minutes. I did not try to make a judgment whether they should own a bank. That was something for the Federal Reserve to do. All I was concerned about was whether this was in the best interest of the shareholders, and I thought it was” (emphasis added).

Barr told the Senate that he had represented B.F. Saul through March 1982. By this time, the BCCI takeover of First American was completed. In April 1982, Clifford replaced B.F. Saul as First American’s chairman, although Saul stayed on the board. In May 1982, Barr ceased being a private attorney, and joined the White House legal staff, becoming an intimate collaborator of Vice President George Bush’s counsel C. Boyden Gray.

Bush’s covert action apparatus
Barr was officially back in government at the precise time that the Bush team was consolidating extraordinary power, and the new BCCI arrangements would be useful for their global offensive.

On May 14, 1982, Vice President Bush’s position as chief of all U.S. covert action was formalized in a secret memorandum (signed “for the President” by Ronald Reagan’s National Security Adviser William P. Clark and declassified during the congressional Iran-Contra hearings). The memo explained that “National Security Decision Directive 3, Crisis Management, establishes the Special Situation Group (SSG), chaired by the Vice President. The SSG is...
Vice President Bush's legal counsel, C. Boyden Gray, and was part of the Bush "covert action" team. Barr joined his staff at the White House in 1982.

charged . . . with formulating plans in anticipation of crises."

The memo also announced the birth of the Standing Crisis Pre-Planning Group (CPPG), to work as an intelligence-gathering agency for Bush and his SSG. This new subordinate group, consisting of representatives of Vice President Bush, National Security Council (NSC) staff members, the CIA, the military, and the State Department, was to "meet periodically in the White House Situation Room." They were to identify areas of potential crisis and "present . . . plans and policy options to the SSG" under Chairman Bush. And they were to provide to Bush and his assistants, "as crises develop, alternative plans," "action/options," and "coordinated implementation plans" to resolve the "crises."

Finally, the subordinate group was to give to Chairman Bush and his assistants "recommended security, cover, and media plans that will enhance the likelihood of successful execution." It was announced that the CPPG would meet for the first time on May 20, 1982, and that agencies were to "provide the name of their CPPG representative to Oliver North, NSC staff"; North would henceforth function under Bush's direction in the smuggling of drugs and weapons. Felix Rodriguez, North's cohort in the massive cocaine smuggling of the Contras, began operating through George Bush's office in August 1982, and appeared in Bush's office no later than March 17, 1983.

Barr left the administration in September 1983, returning to Shaw, Pittman. Two years later, the illegal shipment of missiles to the Khomeini regime in Iran was planned, officially, at an Aug. 8, 1985 meeting of Vice President Bush with the National Security Planning Group in the residence section of the White House.

The work of Bush and his cadre bore fruit in what became known, years later, as the first transactions of the Iran scandal. The London Financial Times on July 29, 1991 described the way BCCI had become "a magnet for covert operations in the 1980s":

"BCCI Used by Iran to Buy U.S. Missiles

"London branches of BCCI were used to finance the export of U.S. anti-tank missiles to Iran's revolutionary guards during [Iran's] war with Iraq.

"The export of the TOW missiles together with other weapons in 1985 was arranged by an Indian-born British arms dealer who figured prominently in the Irangate arms-for-hostages scandal and was wound up in February of this year.

"The man at the center of the deal was Mr. Ben Banerjee, a London-based businessman, who boasted of his links with Col. Oliver North, the disgraced former White House official at the center of Iranagate. Mr. Banerjee died of a heart attack in May 1990.

"The . . . $18.8 m[illion] deal in 1985 . . . was disguised as a shipment of '1,250 lift trucks' . . .

"Mr. Arthur Liman, former chief counsel of the Senate's Iran-Contra committee . . . told the Financial Times that Mr. Adnan Khoshoggi, the Saudi arms dealer who was one of the main figures in the scandal, made payments from his accounts at BCCI to the Enterprise Fund [of Oliver North] . . .

"The story of how Mr. Banerjee . . . arranged for the shipment of arms . . . provides a revealing insight into the way in which [BCCI] became a magnet for covert operations in the 1980s . . . A U.S. investigator said . . . BCCI could have been involved in the beginning and the end of the TOW missile transactions.

"According to the documents, some of the weapons were shipped through Poland."

Barr in power

As a member of the Bush team since 1976, Barr was the first Assistant Attorney General installed at the Justice
Department after Bush’s 1988 election to the presidency. He was chief of the Office of Legal Counsel. During one late-night session, Barr drafted the brief justifying the kidnapping of Panama’s General Noriega; he also supplied legal pretexts for the bombing and invasion of Iraq. Barr further developed the astonishing legal theory, which came to be known as the Thornburgh Doctrine, that the FBI could kidnap people in foreign countries, even against those countries’ laws and regardless of U.S. obligations under international law. Some congressmen were reportedly angry with Barr for keeping confidential the text of the brief upon which this legal doctrine was based.

In May 1990, Barr was elevated to Deputy Attorney General, was in charge of the day-to-day management of the Justice Department. As a Bush insider, Barr gradually took over much of the power of his nominal boss, the discredited Attorney General Thornburgh. In August 1991, Thornburgh resigned; Barr became acting Attorney General and was soon officially nominated for the post.

In his Senate confirmation hearings, Barr was asked by Sen. Strom Thurmond (R-S.C.), “What are your goals during your tenure as Attorney General?”

In reply, Barr first made it clear that an attack on the leadership of the world narcotics trade, or any top-down approach to the drug problem, was strictly ruled out: “Obviously, drugs has to continue as a top priority. In my view, it is a long-term struggle. We are not talking here about the cold war. We are not talking about Desert Storm. This problem took decades to come about, and it is going to take decades to cure. But part of my responsibility and my priority will be to keep the pressure on, so we continue to make progress.”

What progress? The money-laundering bankers, the covert-action drug smugglers, and the corruptors of the security and military services, are all untouchable by law enforcement, because they are “gentlemen and men of distinction” for Barr, as they were for the ancient Callicles.

What did Barr have in mind, when he told the senators that he would be “attacking criminal organizations”? It was not the Dope, Inc. apparatus, which criminally employs and feeds the drugs to America’s youth. Rather, Barr would target the street-level criminals. He was crudely hyping up victims of violent crime, speaking of “street gangs, many of which are involved in drug trafficking themselves, and I think there are some initiatives we can take in that area. We are focusing . . . more on those kinds of organizations like the Crips and the Bloods. You may have read about the FBI anti-gang squad that was established in Washington, and I think you will be seeing more of that nationwide.

"[Then there is] the problem of career criminals, armed career criminals. We have strong firearm statutes . . . and we are seeking some additional statutes and we realize that a very high proportion of violent crime is committed by a very small group, a cohort of hardened criminals, career criminals, and we can use the firearm laws to apprehend these individuals and put them away in federal prison for long periods of time.”

How the dope trade was saved

Just before Bush’s 1988 election to the presidency, as the Iran-Contra scandals continued to boil, executives of BCCI were indicted for conspiracy to launder millions in cocaine profits.

Recently a former high-level U.S. government official with intimate knowledge of the BCCI case told EIR that the Reagan-Bush-era CIA had initiated the bank’s trafficking in drugs and arms. This source said that the CIA had assured BCCI associates that these practices were in accord with U.S. national security. Here was the operation of the Bush “Special Situation” executive, briefly thrown into public view with the BCCI indictments.

The records of at least 40 banks were subpoenaed in connection with BCCI’s drug-money laundering, including Bank of America, which helped finance the founding of BCCI’s start-up company, and at one point owned 30% of BCCI. Customs agents scrutinized Bank of America accounts used by people linked to Roberto Alcaino, a Colombian arrested in 1988 in New York on cocaine-smuggling charges. Alcaino was named in BCCI indictments as “a major trafficker” of cocaine to New York, Los Angeles, and Chicago. Executives of BCCI allegedly helped him launder his profits.

Other major banks targeted by the federal probe included: Marine Midland Bank, since 1978 owned by the Hongkong and Shanghai Banking Corp., so notorious since the British Opium Wars of the nineteenth century as a drug bank, that the New York State Banking Commission blocked its buyout of Marine Midland; Republic National Bank, the New York City flagship firm of Israeli mafia figure Edmond Safra, whose banking empire stretches from the eastern Mediterranean to Ibero-America; Bank of Nova Scotia, the Canadian banking giant, which was identified in EIR’s Dope, Inc. as the institution that opened up the Caribbean as an offshore money-laundering center, in collusion with the Meyer Lansky syndicate; Another Florida bank subpoenaed, Dadeland Bank, was owned by a group of anti-Noriega Panamanians.

But these investigations were sabotaged and shut down. And in December 1991, Attorney General Barr announced that BCCI had entered a guilty plea to certain racketeering charges, in return for which the U.S. Justice Department agreed to drop all other federal and state charges that might be brought against BCCI entities in the future. In the plea-bargain arrangement, BCCI forfeited all of its estimated $550 million assets in the United States, and there were some minor jail sentences. But the global drug apparatus, which had for a time been publicly challenged, was safe.