

asterisk). In some cases the same individuals played active, albeit different, roles in the two actions.

Following the four charts, which represent overlays of data organized by forms of action, we have included an annotated index of names, to help the reader through the maze of detail.

## The analysis

It must be emphasized that the data presented in this special report are by no means complete. However, the data provide a road-map of the apparatus under investigation, and will, hopefully, provoke further inquiry into two aspects, in particular, of the ongoing investigation:

First, the institutions and individuals who have been identified in both the Get LaRouche and Get Clinton operations warrant special investigative followup.

Second, the individuals and institutions that are prominent in the Get LaRouche operation but are not clearly identified as elements of the Get Clinton campaign, should not be written out of the probe. In some instances, leading elements of the Get LaRouche drive, including the ADL and several prominent current and former Democratic National Committee officials, are considered, by some, to be part of the pro-Clinton machinery. Given that virtually every enemy of LaRouche is also an enemy of Clinton, a more thorough review of some of these cases may help to identify “fifth column” problems inside the Clinton camp.

---

## Profile

---

# Richard Mellon Scaife: an Anglophile Goebbels

by Scott Thompson and Jeffrey Steinberg

Ever since First Lady Hillary Rodham Clinton launched her attack against the “right-wing conspiracy” to bring down the Clinton Presidency, at the beginning of the year, the name Richard Mellon Scaife has become well known. Mellon Scaife, as the chief executor of the multibillion-dollar Mellon family “philanthropic” empire, has poured millions of dollars per year into the “Get Clinton” apparatus since 1992. Hardly a newspaper slander or a legal action has been launched against the President that did not enjoy the generous financial backing of Mellon Scaife, through his various tax-exempt foundations—e.g., the Allegheny Foundation, the Carthage Foundation, the Sarah Scaife Mellon Foundation—and his highly secretive Grandchildren’s Trust, which does not have to report its contributions.

What is somewhat less widely known, is the role that Richard Mellon Scaife played in the 1980s “Get LaRouche” operation, the combined legal and media assault against the noted American System political economist, and intellectual author of President Reagan’s Strategic Defense Initiative. Mellon Scaife directly bankrolled the media salon that churned out a constant stream of Goebbels-like anti-LaRouche hate propaganda, through such media outlets as NBC-TV, *Readers Digest*, the *Washington Post*, *Business Week*, the *New Republic*, and the *Wall Street Journal*. The Get LaRouche salon was an integral part of the “Public Diplomacy” unit, run out of the White House, by George Bush and his gopher Oliver North, which was later exposed as part of the “secret parallel government” behind the Iran-Contra fiasco. Both the Iran-Contra guns-for-drugs criminal enterprise and the “Get LaRouche” operation were run under the aegis of Executive Order 12333.

That Mellon Scaife should emerge today as the “Daddy Warbucks” of the propaganda machinery attempting to destroy the institution of the U.S. Presidency, is absolutely lawful. Mellon Scaife cut his teeth, beginning in the early 1970s, as the financier of a combined British-American black propaganda front, which was such a notorious repository of disinformation, that it was banned by law from operating inside the United States.

Like his father before him, Richard Mellon Scaife was, and remains, an appendage of the British intelligence apparatus assigned to penetrate and manipulate the United States on behalf of the British monarchy and the City of London.

## Forum World Features

In 1973, Mellon Scaife took control over a string of Mellon and Scaife family tax-exempt charitable trusts. Almost immediately, those trusts became money conduits for a series of Anglo-American joint intelligence operations. This was by no means the origin of Mellon family involvement with joint British-American covert intelligence activities, however. Richard Mellon Scaife’s father, Alan Scaife, and several members of the Mellon family, served in the World War II Office of Strategic Services, functioning as a key component of the Anglophile faction of OSS, which worked at cross-purposes with OSS chief Gen. William Donovan and President Franklin Delano Roosevelt. But 1973 marked Richard Mellon Scaife’s personal recruitment into the world of clandestine propaganda.

The first of the operations to be funded by Mellon Scaife’s “charitable” empire was Forum World Features, one of three news agencies and about 20 journals that had been created as part of one of the CIA’s earliest Cold War clandestine propaganda fronts, the Congress of Cultural Freedom, founded in 1950. When the CIA funding of the CCF was exposed in 1965, several Anglophile establishment families were called upon to take charge of the various CCF fronts, under ostensibly private auspices. Forum World Features was one such front.

Brian Crozier, an octogenarian veteran of British intelligence, with long-standing ties to Britain's MI5 and MI6 intelligence services, claims, in his autobiography, that he devised the new structure for FWF, forming a holding company named Kern House Enterprises. It was incorporated in Delaware, but operated principally out of London, subsuming several British intelligence news agency fronts in the Middle East, and similar CIA fronts operating in Latin America.

Another account suggests that Kern House Enterprises had actually been created by the grandson of President Theodore Roosevelt, Kermit "Kim" Roosevelt, Jr., who had started his intelligence career side-by-side with Richard Mellon Scaife's father, in OSS. Kim Roosevelt was the CIA's "man in Teheran" when British intelligence, on behalf of British Petroleum, orchestrated the overthrow of the Mossadegh government in the early 1950s. At the time the account has him initiating Kern House Enterprises, Kim Roosevelt "was entrusted with creating the CIA's publishing empire," which involved giving "theme guidance" for thousands of books, and seed money for other media.

The first chairman of Kern House Enterprises, once it was incorporated in 1965, was a raving Anglophile and former U.S. ambassador to the Court of St. James (1956-61), John Hay "Jock" Whitney. He was the owner of the New York City-based Whitney Communication Group, a holding company for the now defunct *New York Herald Tribune*, and the *International Herald Tribune*. Whitney was said to be "witting" about the CIA hand behind Kern Enterprises/FWF—to the point that the CIA conduited some \$325,000 through his J. Whitney Foundation for this purpose in 1964-65.

When Richard Mellon Scaife succeeded, by 1973, in wresting control of the Mellon family foundations, and the more secretive trust, from his sister, Cordelia, he stepped in to replace Whitney as chairman of Kern Enterprises/FWF. This was the start of his still-active relation as "benefactor" to FWF president Brian Crozier.

There is some evidence that even before Mellon Scaife's 1973 takeover of his family's coffers, the Mellon family had had some input into FWF through the National Strategy Information Center, which was one of the family's projects. Formed in 1962 as a "private" intelligence think-tank, the NSIC included on its board Prescott Bush, Sir George Bush's father and business partner of Averell Harriman; and John Norton Moore, of the University of Virginia, who was one of the authors of EO 12333. Crozier confirms that the NSIC was also a major source of information to be processed through the FWF propaganda outlet.

In 1970 using the Current Affairs Research Service Center that Crozier established within FWF, with Kern House Enterprises funds, Crozier formed the Institute for Conflict Studies (ISC). Richard Mellon Scaife soon became a source of money to Crozier's new front group.

Scaife's "hired brain" Daniel McMichael, according to J. Saloma in his 1984 book *Ominous Politics*, is quoted as

boasting that not only was the ISC's work "consistently used by the Thatcher government," but he said that the ISC "has set up solid working relationships with the Heritage Foundation, the National Strategy Information Center, the Institute for Policy Analysis, and a number of other Scaife-supported organizations."

In his autobiography, Crozier reveals that Jock Whitney's investment counselor was John Train, the Anglophile banker-spook who ran the 1983-89 "Get LaRouche" hate-propaganda effort out of his New York City investment service, Smith Train. Crozier heaped praise on Train as "a man of culture as well as money. He had lived in Paris and seemed as interested in the arts as in stocks and shares."

Apart from Scaife's direct contributions to the ISC, some \$140,000 was laundered to Crozier for his discretionary use, through another one of Richard Mellon Scaife's projects, the Heritage Foundation.

Unfortunately for Mellon Scaife, shortly after the publication by former CIA agent Victor Marchetti of *The CIA and the Cult of Intelligence*, a memo revealing the CIA hand in Kern Enterprises/FWF was leaked to a British paper, *Time Out*, in spring 1975. The memo revealed more about the origins of FWF than had so far been told. It was written in 1968 by the CIA's London station chief, Cord Meyer.

Meyer's 1968 memo to Director of Central Intelligence Richard Helms admitted that "FWF was created out of the residue of Forum Service, an activity of the Congress of Cultural Freedom (CCF), from which the CIA withdrew in 1966." The memo continues: "In its first two years FWF has provided the U.S. with a significant means to counter communist propaganda." A handwritten note on the memo adds: "Run with the knowledge and co-operation of British intelligence." The memo elaborates that Forum Service was created as one of three news agencies within the CCF in 1960 out of Information Bulletin, Ltd., whose principal director was Walter Laqueur, now at the Scaife-funded Center for Strategic and International Studies in Washington. CIA funds to the CCF underwrote some 20 publications, including *Encounter*, *The New Leader*, *Socialist Commentary*, and the international association of writers based in Paris known as PEN Club. As former CIA Director of Intelligence Ray Cline put it, all of them "would not have been able to survive financially without CIA funds." Was Cline implying that some, if not all of the private philanthropic funds for these propaganda outfits were actually CIA money, laundered through the tax-exempt private foundations?

This is how Crozier described Forum World Features, in his 1993 autobiography, *Free Agent: The Unseen War 1941-1991*: "The CIA man, whom I shall call James Craig, was ready with an answer which I found cryptic: 'We can't sell Forum in the U.S.,' he said, 'because we are not allowed to propagandize the American people.'

"As I learned later, there was indeed a long-standing revulsion against such 'propagandizing,' born initially of the manipulation of the American public during World War I, by

the British as well as the American government. The revulsion was deepened by the example of Hitler's master propagandist Josef Goebbels during World War II. . . .

"In line with this revulsion, the United States Information Agency (USIA) is still not allowed to circulate its material in the United States and the texts of Voice of America broadcasts are not available in the U.S."

Crozier, who was affiliated with MI5 and MI6, certainly ought to know what he was talking about, since another British intelligence agency with which he was affiliated was the Foreign and Commonwealth Office's "psychological warfare and propaganda" outfit known as the Information Research Department. IRD was shut down in 1978, partly because Crozier had gone overboard, in spinning out disinformation.

Why should it be so devastating, to discover that a news agency, whose own president compared it to Nazi Propaganda Minister Josef Goebbels' efforts, had arisen out of one of the first major CIA operations, the Congress of Cultural Freedom?

### The Congress of Cultural Freedom

It would seem to be obvious that if U.S. intelligence was going to mount "cultural warfare" to win the hearts and minds of intellectuals away from Soviet Communism, it would draw upon fundamental ideas such as Gottfried Wilhelm Leibniz's influence upon the Founding Fathers, as those conceptions are embodied in the Declaration of Independence and the Preamble of the U.S. Constitution. It would draw upon the history of the United States as the shining example to all nation-state republics, and draw out the irony that it had been Tsar Alexander II of Russia, who had kept the British from intervening on behalf of the Confederacy during the Civil War—just as Russia had refused to be a pawn of the Holy Alliance against the United States at the time of the drafting of the Monroe Doctrine, to keep European colonialism out of the Western Hemisphere.

Instead, the CCF often promoted ideas associated with the United States' rentier-financier oligarchic enemies, which were as bad as the Stalinism the operation sought to combat. One reason for this gross error, lies in the person of Frank Wisner, the Anglophile originator of the CCF, whose family had deep ties to the Confederate slavocracy, and to those Tory "Boston Brahmin" allies of the South during the Civil War, who had made their fortunes as junior partners of the British East India Company, during the Opium Wars.

Wisner initiated the CCF with significant inputs from the British, when he was head of the Office of Policy Coordination from which the CIA Directorate of Plans was formed. Throughout his tenure in the Agency, Wisner was associated with what has been variously called the "Bankers CIA" and the "Knights Templar," both epithets for the group of Ivy League "WASP warriors" who dominated the CIA during its formative years, often by running brutal purges against ethnic Americans and others.

Ostensibly on the basis of "fighting fire with fire," one of the significant recruiting bases of the CCF was what was euphemistically called the "Non-Communist Left"—Mensheviks, Trotskyites, Bukharinites, and Stalinists recently fallen from favor with Moscow—who, as we shall see, would have a hand in both the "Get LaRouche" and "Get Clinton" operations. Ironically, those like the Trotskyite James Burnham who appears to have made a genuine conversion from Communism, were barred from participation in the CCF.

The CCF was, otherwise, dominated by enemies of the United States, with deep ties to British and other intelligence services. Among these CCF assets were:

**Lord Bertrand Russell**, one of Britain's leading advocates of "one-world federalism" and the eradication of the nation-state system. Russell played a pivotal role in launching the 1940s and '50s World Parliamentarians for World Government and the Pugwash Conference, both of which worked closely with Soviet intelligence services in Anglo-Soviet operations against the United States.

**Stephen Spender**. Another British national, this second-generation member of the "Homintern" (Homosexual International, known among the Oxford and Cambridge elites as the "Children of the Sun") wrote for *Forum World Features*. Not surprisingly, his works appeared in John Train's *Paris Review* in the 1950s, together with the writings of hallucinogenic drug advocate Aldous Huxley. In 1968, Spender travelled around Europe and the United States, bringing suitcases full of cash to the most violent of the student radical leaders, including from the Situationist International, then involved in violent street actions, aimed at overthrowing the government of French President De Gaulle.

**"The Frankfurt School."** OSS members Dr. Karl Frank, Max Horkheimer, and Herbert Marcuse, all members of the Frankfurt Institute for Social Research, became major players in the CCF. The Frankfurt School was created in the early 1920s as an explicit project of the Communist International (Comintern), with the stated objective of destroying Western Judeo-Christian civilization by spreading a Marxist-Freudian syncretic ideology, built on "anti-authoritarianism" and "cultural pessimism." By the 1930s, the Frankfurt School had been fully integrated into the British Fabian Socialist apparatus, which, like Bertrand Russell, always maintained close ties to British intelligence. In the postwar period, the Frankfurt School also de facto merged with the London Tavistock Institute, an official branch of British psychological warfare.

**Jay Lovestone**. Lovestone had been appointed to head the Communist Party USA by Comintern leader Nikolai Bukharin in the 1920s, but was ousted during the purge of the Bukharinites. Yet, he remained in touch with a faction of Soviet intelligence through, at least, the late 1930s. Under the sponsorship of International Ladies Garment Workers Union leader David Dubinsky, Lovestone and his chief lieutenant, Irving Brown, ran the AFL-CIO International Department for many decades. At the time of the CCF, Lovestone and Brown

were secretly on the payroll of CIA Director of Counterintelligence James Jesus Angleton, himself a World War II OSS liaison to the British “Double-Cross Committee” secret intelligence structure, and a leading figure in the Anglophile cabal at CIA headquarters.

**Jean Paul Sartre**, the French existentialist.

**Jacques Soustelle**. This French “synarchist” and cultural anthropologist, was a target of U.S. Army Intelligence investigators during the 1930s and ’40s period of the Hitler-Stalin Pact, as a significant “Nazi/Communist” subversive, operating against the United States in Mexico and Central America. After the war, in France, Soustelle founded the terrorist Secret Army Organization (OAS), which, on a dozen occasions during the 1960s, attempted to assassinate President de Gaulle. OAS was financed through the British intelligence “Murder, Inc.” front, Permindex, which was implicated in the assassination of President John F. Kennedy.

After the Congress of Cultural Freedom’s CIA funding was exposed in 1965, there was a short-lived effort to create a “private” International Association of the CCF. The final conference of this group took place in 1968 at Princeton University, and the featured speaker was Henry Kissinger. In 1971, Richard Mellon Scaife made one final effort to re-start the CFF, by providing seed money to launch the Committee for the Free World. Its leadership included many top “neo-conservatives” who are now involved in “Get Clinton” operations, together with members of the British establishment such as Brian Crozier’s close friend, the late Lord Julian Amery.

### ‘The white-shoe boys’

Several reliable sources have reported that the people who had a hand in the shaping of Mellon Scaife’s funding of British intelligence-inspired covert and overt operations—including his “Get LaRouche” and “Get Clinton” activities—were former members of the OSS, who served with his father during World War II.

At the beginning of World War II, Gen. William “Wild Bill” Donovan, with support from President Franklin Roosevelt, created the OSS, which was the precursor of the Central Intelligence Agency. From the start, there were three factions within the OSS: an “Oh So Social” group of Anglophile oligarchic families, typified by Richard Mellon Scaife’s extended family, including his father; a performance-oriented group of American citizens, epitomized by future Director of Central Intelligence William Casey, who could accurately make the claim that he was “there at the beginning of the CIA”; and, a group of first- and second-generation American immigrants of the sort represented by Max Corvo, who was key to OSS intelligence operations in Italy.

The Anglophile group, with its “old money” wealth, and its roots in Wall Street and in the Ivy League universities, came to dominate the postwar launching of the CIA, in large measure, because they used the closing months of World War II to unleash a bloody purge of their rivals inside the OSS.

With the death of FDR, not even General Donovan survived the purge. Donovan, Casey, Corvo, and a host of other OSS wartime legends were black-balled from playing any role in the early shaping of the CIA; and the first 25 years of the Agency were dominated by such hard-core “WASP warriors” as Alan Dulles, Richard Helms, Frank Wisner, and James Angleton.

OSS officer Alan Scaife was part of the hard-core Anglophile circle—along with several other members of the extended Mellon clan.

Here are Bill Casey’s impressions of Lt. Col. Alan M. Scaife, as conveyed to Joseph E. Persico, author of *Casey: From OSS to the CIA*. Casey’s description was in the context of Casey’s promotion in the OSS—over the higher-ranking Scaife—in December 1944, by General Donovan, to be chief of the Secret Intelligence (SI) Branch of the European Theater of Operations USA (ETOUSA): “He was one of the original white-shoe boys. He’d done it all in a day. He’d married one of the Mellon heiresses. And that took care of Alan. The guy didn’t have much steam. His people were rattling around with nothing to do. SI was falling apart.”

In terms of his OSS affairs, it is impossible to separate Lt. Col. Alan M. Scaife’s career from that of his in-laws and other affiliated oligarchical families, the collection of wanna-be British aristocrats whom Casey dubbed the “white-shoe boys.” Chief among the Mellon OSS crowd were:

**Col. (later Ambassador) David K.E. Bruce**. A descendant of the Scottish King Robert Bruce, David Bruce maneuvered into the position of being chief of ETOUSA OSS throughout World War II, operating from a base in London. Bruce’s first marriage was to Ailsa Mellon, whose father, Treasury Secretary Andrew Mellon, had coordinated closely with Bank of England head Montagu Norman, and with Norman’s friend, German banker and Economics Minister Hjalmar Horace Greeley Schacht, in the British-inspired process that ultimately imposed Adolf Hitler upon an economically prostrate Germany. While Andrew Mellon ended his political career as President Herbert Hoover’s ambassador to the Court of St. James, Ailsa’s mother, Nora, was a British subject and relative of the Earl of Guinness. Before World War II, David Bruce had worked with W.A. Harriman and Company, Inc., and he was head of some 25 corporations.

After World War II, Bruce was named ambassador to what were then considered the three top foreign service posts: France, Germany, Britain. According to the memoirs of self-confessed British asset Sir Henry Kissinger, in *The White House Years*, Bruce ended his career on the special body advising the Nixon administration, known as the “Wise Men.”

**Major (later Sir) Paul Mellon (a.k.a. “Cantaloupe”)**. Through his brother-in-law David Bruce’s intervention, Paul Mellon was recruited into the OSS in London. According to contemporaries and official records, Paul Mellon did little of distinction while in the OSS, ostensibly engaged in “black propaganda” work.

He and his first wife, Mary Conover Mellon, had begun psychotherapy at the Swiss cult center of Ascona before World War II, under the satanic Carl J. Jung. After World War II, Paul Mellon set up the Bollingen Foundation, which translated Jung's writings into English. The foundation fell under Congressional scrutiny, when it gave a joint prize, with the Library of Congress, to the Mussolini-style fascist Ezra Pound, who had been saved from trial for treason by the intervention of OSS X-2 (Counterintelligence) chief Angleton, together with other oligarchic influences.

At his Rokeby Farm in Upperville, Virginia, Mellon breeds horses and through that means he became a personal friend of the British royal family. Not only was Mellon named a Knight of the British Empire by Her Majesty Queen Elizabeth II, but he has frequently hosted members of the House of Windsor.

**Maj. William Larimer Mellon.** Through the intervention of another member of the Mellon family, Larimer Mellon got a commission in OSS, starting as an SI ship spotter in Lisbon, Portugal. He was soon under Allen Dulles's direct command at the latter's Geneva headquarters, where Mellon's job was ostensibly to bribe those German generals who were listed in Edda Mussolini's captured diary as being desirous of surrender. As with the Mellon family and their in-laws, Allen Dulles, scion of an oligarchic Anglo-Swiss family, had a most strange relationship with the Nazis. As an attorney for Sullivan & Cromwell, he had worked with many of the firms that helped finance Hitler's rise to power. And, he, together with his Russian emigré aide in OSS Geneva, Valerian Lada-Mocarski, sat on the board of Schroeders Bank, whose German division was headed by SS Gen. Baron Kurt von Schroeder.

OSS records on file at the U.S. National Archives show that Alan Scaife had occasion to write "Dear Paul" (Mellon) and "Dear David" (Bruce) epistles from his position within the SI Branch ETOUSA OSS. One of the first major assignments Bruce had Scaife carry out, was to return to Washington, D.C. to establish what Scaife's memo described as a London Desk within the British Empire Section of SI at OSS headquarters.

In this posting, Scaife worked directly with British Security Coordinator Sir William Stephenson at Room 2603 in Rockefeller Center in New York.

When Scaife returned to London to become Executive Officer of the SI Branch ETOUSA OSS, he was placed in charge of the Labor Division, where he worked closely with Allen Dulles's recruit, Maj. Arthur Goldberg. Alan Scaife would later work closely with Arthur Goldberg and his SI Branch ETOUSA Labor Division assets, to begin the penetration of Nazi Germany through such missions as "Operation BACH." However, it was the plodding slowness of this operation that, after the Battle of the Bulge, prompted General Donovan to promote Bill Casey over Scaife as chief of SI ETOUSA OSS, for the final push behind the Siegfried line.

The problem with the ETOUSA OSS operation run by Alan Scaife's in-law, David Bruce, was summed up by Dono-

van before the shakeup as follows: "Gentlemen, I find that here in London you have been doing too much planning. Plans are no good on the day of battle. I ask you to throw your plans out of the window."

It was this extended Mellon family crowd that steered Richard Mellon Scaife on his present treasonous course.

## Mellon Scaife bankrolls British 'brain warfare'

by Steve Meyer and Jeffrey Steinberg

In 1975, then-Central Intelligence Agency director William Colby testified before the Senate Select Panel on Intelligence (the Church Committee). Among the CIA "family jewels" revealed by Colby during that controversial public testimony, was the existence of a decades-long secret CIA experiment in mind control and brainwashing, known under the acronym MK-ULTRA.

It was later revealed that MK-ULTRA operatives were responsible for the dissemination of millions of doses of LSD-25, inside the United States, thus playing a significant role in launching the 1960s drug-rock-sex counterculture.

The CIA mind-war program drew heavily on British psychiatrists and psychological warfare experts associated with the London Tavistock Institute, and other British intelligence agencies. Tavistock's entire staff had been coopted into the British Army, during World War II, where they ran the psychiatric division. The Tavistock Institute's earlier incarnation, the Tavistock Clinic, had been founded in 1922, by a group of British military psychiatrists who had conducted studies of wartime "shock trauma" on returning British soldiers.

After World War II, the Tavistock Institute set out to dispatch "mobile teams of psychiatric shock troops," in the words of its director, Brig. Gen. Dr. John Rawlings Rees, into communities all around the world, for the purpose of social engineering and mind control, and the promulgation of world government.

Among the Tavistock figures directly involved in the CIA MK-ULTRA were Dr. Ewen Cameron and Dr. William Sargant. American psychiatrist Dr. Louis Jolyon West was trained at Tavistock, before becoming a mainstay of the MK-ULTRA team. Aldous Huxley, the famous British popularizer of psychedelic drug use, was a frequent lecturer in the MK-ULTRA and related secret intelligence projects, which involved both the use of mind-altering drugs, and other, non-pharmacological methods of brainwashing. Huxley worked directly with Dr. West beginning in 1957, and described his young American protégé as "an extremely able young man," in a correspondence with Dr. Humphrey Osmond, the British pharmacologist who also played a central role in MK-ULTRA.