

Watergate Knives Sharpened In D.C. Back Rooms

Knives were being sharpened in the hot Washington sun this week. Liberal Democratic Congresswoman Elizabeth Holtzman, the darling of the New York "Our Crowd" investment houses, demanded that the Special Prosecutor just established by the Senate reopen the Watergate investigation to look into the affairs of Nixon associates Bebe Rebozo, Howard Hughes, and Nixon Himself. Sources close to Holtzman did not rule out pressure on the Special Prosecutor to investigate charges that Henry Kissinger "overlooked" Korean CIA operations in Congress.

Congressman Bruce Caputo (R-NY) announced July 7 that he would ask the House Ethics Committee to seek access to White House tapes on the Korean bribery scandal. Caputo declared his belief that Kissinger knew about the Korean operations but "for a variety of reasons did not choose to act on that knowledge..."

Arthur Schlesinger, Jr., a close friend of the Kennedy family, has strongly attacked CBS newsman Bill Moyers, former aide to LBJ, for impugning the reputation of the Kennedys. Moyers put a documentary titled "The CIA's Secret Army," on the air this spring which implied that John F. Kennedy was behind CIA attempts to kill Castro...

The *Chicago Tribune* this week uncovered a scandal involving Republican Senate Minority Leader Howard Baker and conflict of interest charges relating to his landholdings and sales of coal from his lands. The article notes that Baker is being dogged by these charges as he begins a serious quest for the Republican presidential nomination in 1980. Conservative circles are abuzz with talk that Baker is being groomed for the presidency by Nelson Rockefeller. How else can you explain his hiring of James Cannon, longtime aide to Nelson,

as his administrative assistant? Conservatives also point to Baker's effusive praise of Nelson at the Republicans' "Salute to Nelson" dinner several weeks ago in New York. So far Baker has said little to disprove these rumors...

The smell of Watergate extends up to the White House, with Rothschild-linked New York investment circles planning a much greater role for Veep Walter

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Mondale. Declared Mondale ally White House counsel Robert Lipshutz, "He (the Vice President) is not only acting as an advisor. He does relieve him (Carter) in a number of substantive ways." Lipshutz himself will have a new role in the White House if the just proposed executive reorganization plan is agreed to by Carter — his role would be "restructured toward servicing immediate Presidential legal needs." Are extraneous matters being taken from Lipshutz' hands so he can handle impeachment problems for Carter?

Capitol Hill sources are reporting that conservatives are mulling over illegal Administration activities and "We have a number of things in the hopper" declared one man in the know...

The hottest thing is Federal Election Commission Cointelpro operations against the U.S. Labor Party. Labor Party charges against the FEC are "very widespread, very well known and very disturbing" one leading Senate source commented last week. Several congressional committees are heatedly debating whether to hold oversight hearings on the FEC, and its connections to the intelligence community and White House...

Watchful congressional eyes have been amazed that the FEC has spent so much time investigating Labor Party campaign funds while ignoring a number of glaring irregularities relating to Carter and his Democratic allies. For instance:

A campaign worker for both Carter and Detroit Mayor Coleman Young embezzled funds from the Young campaign chest to help out Carter in the Michigan primary...

Hubert Humphrey has been allowed to settle 1968 election campaign debts at something like four cents on the dollar...

Jane Fonda's contribution to hubby Tom Hayden's campaign chest was a whopping \$400,000...

Rumors abound in Washington that former UAW president Leonard Woodcock will not remain long as ambassador to China, but will be summoned back to the U.S. to answer charges about the UAW's complicity in an FBI Cointelpro operation against the Labor Party. People are speculating that Woodcock may be the first Administration defector...

Office of Management and Budget Director Bert Lance's financial prowess has come into question. The president of the Atlanta bank Lance headed until January revealed last week that the bank's loan portfolio is in trouble. Speculation is that Lance's "softest" loans were those he gave to presidential candidate Jimmy Carter... Commenting on Lance's economic abilities, one financial expert declared, "I doubt if Lance is sophisticated enough to understand the question you asked. He's heavily in debt himself, therefore he wants low interest rates. On the one hand he shares with Burns fiscal conservatism and concern for a balanced budget. On the other he wants easy money and low interest rates..."