

'Parallel government' exposed by EIR report

by Nicholas F. Benton

Less than six weeks after the Tower Commission issued its cover-up report on the "Irangate" affair that erupted last autumn, *EIR* released to the press the real story of the invisible government in its 341-page blockbuster special report, "Project Democracy: the 'Parallel Government' Behind the Iran-Contra affair."

Four of the authors of the report, Editor-in-Chief Criton Zoakos, Contributing Editor Webster Tarpley, and Counter-intelligence Editors Paul Goldstein and Jeffrey Steinberg, made statements and answered extensive questions during the two-hour briefing in Washington, to a packed room that included representatives of seven news agencies and five embassies, among others.

Zoakos opened the press conference by announcing that the report, available from this publisher at \$250 per copy, is "only the first chapter of a much longer book on the Trust."

He began by referring to the hand-written flow chart by Lt. Col. Oliver North that was reproduced in the Tower Commission report, to show that the Tower Commission was wrong in its parenthetical assertion that there is no apparent connection between the "Project Democracy" referred to by North in his memoranda and the bipartisan, congressionally funded National Endowment for Democracy (NED) which goes by the same name. The *EIR* report demonstrates that every single organization listed as a fundraising resource by North on his flow chart is linked to the NED.

The NED's president, Carl Gershman, is the former director of the Social Democrats, U.S.A., and its chairman, John Richardson, comes from the Sullivan and Cromwell law firm. The NED, said Zoakos, was set up as a "private CIA" and is the visible element of a much larger, illegal

parallel government. He cited the case of Ted Shackley, who worked for the CIA until 1979 and initiated the contacts in Hamburg, West Germany in August 1984 that led to the exposed round of U.S. arms shipments to Iran.

Objective: the fascist state

Tarpley documented the objective of the architects of "Project Democracy": to create a corporatist, totalitarian state in the United States. He cited the case of Michael Ledeen, author of a book called *Universal Fascism*, which model Ledeen enthusiastically supports.

Ledeen, Tarpley noted, argues that the American Revolution was betrayed by the U.S. Constitution, and advocates "a mystical, fascist, permanent revolution without nationalism," on the model of Gabriele D'Annunzio, the predecessor to Mussolini in Italy who temporarily occupied Fiume in 1919 and epitomized the link between fascism and communism, enjoying support from the Bukharinites in the Soviet Union. Ledeen, Tarpley noted, operated a private intelligence capability in Italy through his connection to the Propaganda-2 (P-2) freemasonic lodge there, which interfaced with the NSC. P-2 is the subject of an ongoing trial over the terrorist bombing of the Bologna train station in 1980, leaving 85 dead.

The Jay Lovestone communist trade unionists in the United States had a "passing quarrel" with Stalin, which was mended under Khrushchov, and second-generation Lovestonites like Lane Kirkland and Gershman, who now run the NED, "believe in trade union dictatorial power." This accounts for the NED's pressing of the two parties toward a one-party system, based on controlled presidential debates and the consolida-

tion of primaries (i.e. the Southern "Super Tuesday" next March) aimed at leading to a single national primary by 1992.

He noted that the Trilateral Commission and Lloyd Cutler's Citizens for a Constitutional System are pushing for a formal subversion of the U.S. Constitution and advocating either a British or Israeli model. He cited Israel as an example of a corporatist state, lacking a constitution, where the trade union federation, the Histadrut, is also the largest employer, controlling one-third of the nation's economy through the Hevrat Ovdim Corporation.

The presidential candidacy of Lyndon LaRouche is the one institutional challenge to this scenario, Tarpley said, and with the release of the report on Project Democracy, "all the trees in the forest will fall."

Exposing the Mossad

Goldstein focused on the "special relationship" between the United States and Israel in his presentation. He cited the assertion in the Tower Commission report that Israel "had its own national security interest in mind" in supporting the sale of U.S. arms to Iran, but said that this did not explain how "the Israeli tail was able to wag the U.S. dog."

He noted that *EIR* has led in exposing the dangers of Israeli Mossad infiltration of the U.S. national security apparatus for years, holding up the March 1986 *EIR Special Report*, "Moscow's Secret Weapon: Ariel Sharon and the Israeli Mafia," with specific references to the threat that secrets stolen by spy Jonathan Pollard would find their way into Soviet hands. He then showed an article in the April 9 *New York Post*, over a year later, reporting U.S. government sources expressing the same concern.

Goldstein said the CIA has been ineffective since 1973, when James Schlesinger, director of the CIA for only six months, purged 1,000 top people. In 1979, eight hundred more top clandestine agents were purged based on a list drafted by Ted Shackley. In its place, he noted, were established the private operations of the secret government, using the Mossad, and figures such as Al Schwimmer and David Kimche, financed by Max Fisher, Edgar Bronfman, and the Anti-Defamation League (ADL).

He said that Wall Street "insider trading" scandals are turning up a network that began under Meyer Lansky as a means of accumulating slush funds for covert operations, making use of hot money from drug trafficking. David Levine and Willard Zucker played leading roles. Zucker, of *Compagnie de Services Fiduciaires*, is a law partner of Kenneth Bialkin, former head of the ADL and attorney for Robert Vesco, now under investigation by the SEC.

Goldstein said that the "entire Irangate exposé is being run by *EIR* as the catalytic force," initiated by people who decided to "pull the plug" on Project Democracy based on investigative work done by *EIR*. "This is the secret of Irangate," he said, "and why 353 federal, state, and local agents raided the offices of associates of Lyndon LaRouche in Lees-

burg last Oct. 6. It was an attempt to shut us down before the plug was pulled." He said, "We will survive and win. It is a fight between constitutional government, or a one-party state."

Project Democracy's roots

Steinberg noted that "there has been an unbroken history of a parallel government making policies outside the pale of the official government," which began under President Johnson and the eight-year tenure of Henry Kissinger at the National Security Council. It was in this period, he said, that the NSC became a vehicle of covert operations beyond congressional oversight.

The Project Democracy idea was formally advanced, he said, in 1975 at the Kyoto, Japan meeting of the Trilateral Commission, which concluded that democratic institutions would not function under the crisis conditions they foresaw. The idea of a national endowment for a corporatist state was pushed. The phrase, "fascism with a democratic face" was coined then.

During the question period, Zoakos announced that 8,000 copies of the report would be sold, and Tarpley said that its contents had already been presented to the House Appropriations Subcommittee, which has oversight of the State Department and the NED.

The role of the "secret government" in launching the Iran-Iraq War, the role of the British Foreign Office, and clarification of the circles responsible for blowing the Pollard spy operation were among the questions raised.

Zoakos attributed the Iran-Iraq War to the operation begun under NATO Supreme Commander Alexander Haig to overthrow the Shah, combined with an effort to funnel disinformation to Iraq's Saddam Hussein to draw him into a war he could not win.

Goldstein cited the policy of the "Cohorts," a group of State Department leftist careerists organized under Averell Harriman, such as Tom Braden and Cord Meyer, whose policy of "controlled disengagement" led to the Shah's and Marcos's overthrow, and the implementation of the "Bernard Lewis Plan" to fragment the Middle East, which was drawn up at the British Foreign Office.

Goldstein noted that *everyone* in Israel's leadership supported the idea of a hostile penetration of U.S. intelligence (i.e., Pollard), even though the founder of the Mossad, Isser Harel, was against such an idea on principle. The Pollard operation netted the Israelis 3,000 top-secret documents.

Steinberg noted that LaRouche wrote a series of memoranda to Reagan in December 1980 and January 1981, urging him to take a careful look at Israeli intelligence and to investigate the Carter "Islamic fundamentalist" card. He noted that Reagan was "slow to act on the advice," and therefore wound up adopting a policy initiated by Carter, which has now blown up into Irangate. Another problem with arms sales to Iran, Zoakos noted, was that former CIA director William "Casey liked the idea."