death by accusing special counsel Robert Fiske of conducting a "cover-up," and filing a Freedom of Information Act lawsuit for records concerning Foster's death.

The media 'food chain'

A little over one year ago, on Jan. 6, 1997, the White House sent shock waves throughout much of the news media—both in the United States and in Britain—with the release of its explosive 331-page report documenting the "media food chain" and the central role played by the British press in orchestrating news media attacks on the President. The report, "Communication Stream of Conspiracy Commerce," documented, in the White House's own way, what readers of *EIR* were informed of very well: that many of the stories retained in U.S. press outlets such as the *Wall Street Journal,* the *Washington Times,* and so on, came directly from the British press.

Despite attempts by the *Washington Post* and other "major" media to ridicule the White House report, the *Washington Post* itself had run a feature in May 1994, headlined "Brits Keep Tabs on Clinton Sex Life: London Papers Trumpet Tawdry Allegations About the President," featuring the role of the London *Sunday Telegraph* and its Washington correspondent, Ambrose Evans-Pritchard. The *Post* commented: "Some of what appears in London soon echoes back across the Atlantic. The *Wall Street Journal* editorial page and the *Washington Times* have repeated some of the *Sunday Telegraph*'s allegations."

In the White House report, the section of documentation was entitled, "Sources without Credibility: Pushing Stories into the Mainstream Press." The first example given was: "Whitewater: From Floyd Brown to *Wall Street Journal*." The report showed how Floyd Brown, the creator of the notorious "Willie Horton" ads for George Bush in the 1992 Presidential campaign, had met with members of the *Wall Street Journal* editorial board in February 1994, and then, within weeks, the *Journal* had devoted nearly half of its editorial page, on March 4, 1994, to reprinting documents it had obtained from Brown.

Then, on March 9, 1994, Brown put out a "Whitewater fax bulletin," saying that then-Whitewater special counsel Robert Fiske had subpoenaed a number of Clinton administration officials but had missed one: Patsy Thomasson, who Brown said was a friend of convicted Arkansas drug dealer Dan Lasater, and who searched Vincent Foster's office after his death. So, the next day, on March 10, the *Journal* ran an editorial entitled "Who Is Patsy Thomasson," citing her alleged ties to Lasater.

The White House report cited another example, a fraudulent story about an associate of Lasater named Dennis Patrick. This story began in the London *Economist* on May 7, was then picked up and published in the London *Sunday Telegraph* on May 8, and the *Times* of London on May 12, and from there, according to the White House report, made its way into the *Washington Times* on May 13, Pat Robertson's "700 Club" on June 6, and then the *Wall Street Journal* on June 21.

The *Journal* has not limited itself to attacks on Clinton cronies in the Justice Department. Its editorial page frequently features articles by Micah Morrison, identified as a "*Journal* editorial page writer," who accuses Clinton of complicity in drug-running, money-laundering, and many murders in Arkansas; Morrison's articles, and the editorial comments which often accompany them, are right at home on the lowest, bottom-feeding levels of the media food chain. But what would you expect from a *Wall Street Urinal?*

Wall Street Journal: tool of destruction

by Richard Freeman

From its May 1973 editorial supporting the Communist Party USA's goon attacks against the LaRouche movement, to its Sept. 19, 1997 front-page defense of speculator George Soros against Lyndon LaRouche, the *Wall Street Journal,* America's "business" paper of record, and second largest circulation newspaper, has made clear that it is dedicated to erasing the ideas, and even the presence, of Lyndon LaRouche.

The *Journal* proceeds from axiomatic beliefs which have led it to defend Fed Reserve Chairman Paul Volcker's October 1979 high-interest-rate destruction of the U.S. physical economy; promote the disastrous 1981 deregulation of the U.S. banking system; and champion Anti-Defamation League/mob-linked financiers Michael Milken and Ivan Boesky and their junk-bond leveraged buy-outs, which ravaged the economy further, as the "free spirits" of "free enterprise."

The *Journal* presents the world from the vantage-point of a speculator. It envisages a world in which the usury-driven "market" rules all, and in which the sovereign nation-state is to be "withered away," subordinated to the demands of the speculators. Long owned by the Boston Brahmin Bancroft family, the *Journal* voices the policy of the Wall Street-City of London axis, which is controlled by the British financier oligarchy. From its 1889 inception, the *Journal* has been deeply opposed to the American System of Economics of Gottfried Leibniz, Alexander Hamilton, and Abraham Lincoln. In this system, the state dirgistically fosters anti-usury, energy-intensive, capital-intensive economic development. It develops the cognitive power of the sovereign mind, which is the source of all economic wealth.

But, the *Journal* underwent a further policy change soon after President Nixon took the dollar off the gold reserve standard in 1971. At that point, Robert L. Bartley, an asset of the Mont Pelerin Society and the so-called "neo-cons," was brought in to direct editorial policy, and to call for the implementation of the post-industrial society. The *Journal* abandoned any sense of even traditional industrial banking, and went for straight speculation.

Today, the *Journal* and its parent company, Dow Jones & Company, span the globe. Its American edition of the *Journal* is read by 1.8 million people daily. There are European and Asian editions of the *Journal*. Dow Jones owns and publishes *Barron's* financial newsweekly and the *Far East Economic Review*. It owns a string of other newspapers, publishes a Dow Jones online data retrieval system, and owns and prints the Dow Jones industrial stock index.

While Baby Boomer Wall Street financiers and stock brokers swear by the *Journal,* and many Americans are miseducated about economics by it, the *Journal* has been wrong on every fundamental economic issue of the past quarter-century. On precisely these issues, economist Lyndon LaRouche has been correct. Here are the results of two different and irreconcilable methods of thought: the American System of LaRouche, and the British free-trade usury of the *Journal*. The success of LaRouche's methods means the elimination of the rotted-out world financial system the *Journal* supports. Here lies the roots of the *Journal's* loathing and fear of LaRouche.

It started in Boston

The *Wall Street Journal* represents a merger of Boston and New York interests. Boston's "State Street" financial center is run by the treasonous families that made their money in the British-run China opium trade: the Cabots, Perkins, Coolidges, Russells, Cushings, Lowells, et al. Wall Street was created and is run by the Tory faction, which followed the policy of Bank of Manhattan founders, and American traitors, Aaron Burr and John Jacob Astor. At the heart of the *Journal* is the aristocratic Bancroft family of Boston.

In 1882, in New York City, financial reporters Charles Henry Dow and Edward Jones, both Rhode Islanders, set up Dow Jones and Company, which printed a financial bulletin. In 1885, Charles H. Dow became a member of the New York Stock Exchange, formulating what he called the Dow theory of stock market movements, and picking up trading gossip to put in the Dow Jones bulletin. In 1889, Dow formed the *Wall Street Journal,* which was made a subsidiary of Dow Jones & Co.

In 1902, Clarence Barron, representing Boston's powerful State Street, purchased Dow Jones & Company for $130,000. At the time of the purchase, Barron was publishing business bulletins in Boston and Philadelphia, which were merged into Dow Jones & Co. Barron also founded *Barron's National Financial Weekly*. In 1923, Barron had the *Journal* publish his credo, which made clear his paper's slavish adherence to the Wall Street financiers: "The *Wall Street Journal* must stand for what is best in Wall Street. . . ."

The higher level of the Boston Brahmins joined the *Journal* when, in 1907, the step-daughter of Clarence Barron, Jane Barron, married Hugh Bancroft. The Bancroft represented the high Boston Tory faction; they were among the first settler families that, in 1632, founded Lynn, Massachusetts. During the next 50 years, the family was the sole exporter for the Massachusetts Bay Colony, of sugar and tobacco, a trade that made it immensely wealthy.

By the first decade of the twentieth century, Hugh Bancroft's father, John, was chairman of the Brahmin-owned Boston Elevated Railway, and was a member of the board of overseers of Harvard University. Hugh Bancroft attended Harvard, where he was admitted to the elite Hasty Pudding Club. In 1912, Bancroft was made treasurer of Dow Jones, the holding company of the *Journal*. He became president in 1928, upon Clarence Barron's death. By that time, Bancroft and his family controlled the majority of Dow Jones & Company's shares.

The Bancroft family continues to be the most significant shareholder of Dow Jones and the *Wall Street Journal* today, through Hugh Bancroft's descendants, including Jane Bancroft Cook, a *Journal* board member; the Cox family (Christopher Cox sits on the *Journal*'s board); and socialite Elizabeth Goth.

It is during the first decades of the twentieth century, that the *Journal*'s hatred of the American System of Economics became manifest.

The shift to a post-industrial society

Up through 1970, the *Journal* continued to express Wall Street's interests, but it would occasionally also express the outlook of industrial banking, and support, in a limited way, some measures in the national interest, such as the 1939-43 World War II economic mobilization.

During the 1970s, the City of London effected a profound shift at the *Journal*. Since the 1963 murder of President John F. Kennedy, the British had begun to foist the "post-industrial society" policy upon America. Right after the 1971 delinking of the dollar from gold, this was made the policy of the *Journal*. This post-industrial society policy destroys technology-proud manufacturing, agriculture, and infrastructure, while building up information services and financial speculation.

Robert L. Bartley, from the circles of the oligarchy's Mont Pelerin Society, was the key person brought in to effect the change. In 1962, he joined the *Journal,* and by 1972, he was made editor of the editorial page. Today, he is the paper's editor.

In October 1973, Bartley published an essay entitled, "A Pathology of Perception." In defining where America is heading, he cited Daniel Bell's new book, *The Coming of the Post-Industrial Society:* "Mr. Bell sketches the shape of the society we are becoming. The economy will be increasingly pre-occupied with services rather than [producing] goods." The post-industrial society would be the fundamental outlook that Bartley, and the Boston Brahmins who owned the *Journal,* would preach through the editorial pages, over the next 25 years.

Bartley represented the intersection of two British-steered groups: the neo-conservatives and the Mont Pelerin Society. The neo-cons—many of them former Bukharanite communists—hate the nation-state and industrial development. A typical example is Irving Kristol, a former leftist who is close to British as well as Israeli intelligence. During the 1970s, Kristol was Professor of Social Thought at New York University, and a mentor to Bartley. In 1976, Bartley made Kristol one of the *Journal's* Board of Contributors, giving him regular space on the editorial page. Irving Kristol's son William, the editor of the *Standard,* is one of the leaders of the attacks on the U.S. Presidency.

The Mont Pelerin Society is the financier oligarchy's elite organizing center, pushing austerity and globalization of markets, and especially the illegal and drug economy. Milton Friedman, a founder of the Mont Pelerin Society in 1945, headed up the University of Chicago School of monetarist economics. In the early 1970s, one of the University of Chicago boys, economist Art Laffer, began to meet with Bartley at a restaurant in New York City, along with Columbia University economics professor Robert Mundell and economist Jude Wanniski, who then was working at the *Journal.*

A hero of this group, whom Bartley praises to this day, is French economist Jean-Baptiste Say (1767-1832), a radical free trader and popularizer of Adam Smith. In his *Treatise on Political Economy,* Say designated the nation-state as the enemy; any attempt to impede the markets is tyranny, he said. Within this context, Say emphasized supply over demand.

In December 1974, Bartley approved a *Journal* editorial-page exposition of the Laffer-Mundell curve, which purported to show that, as regulations and taxes are cut, growth occurs, and as a result, tax revenues rise, closing the budget deficit. This Mont Pelerinite quack nostrum came to be known as "supply-side economics." It would be the vehicle for calling for cuts in the capital gains tax, and was introduced through Rep. Jack Kemp (R-N.Y.) in 1981, and became the Kemp-Roth tax bill, which passed the Congress. In the meantime, the *Journal* sold this program to Ronald Reagan, and it became the basis of Reagan's economic program. While speculation grew, so did the budget deficit. Contrary to the *Journal's* predictions, the Federal budget deficits for the eight years Reagan was President totalled $1.3 trillion, an amount larger than the outstanding debt that the U.S. government had accumulated in the 192 years of its existence, from 1789, until 1981, when Reagan took office.

Support for Volcker

The supply-side economics policy went through in 1981-82 on the back of the changes wrought by Federal Reserve Board Chairman Paul Volcker in 1979, which the *Journal* supported. The *Journal* has proved itself wrong, time and again. During Oct. 6-12, 1979, Volcker sent interest rates into the stratosphere, in a policy devised by the New York Council on Foreign Relations to put the economy through "controlled disintegration": oil price shocks, credit cut-offs, and interest-rate shocks. This had been worked out in the CFR's "Project 1980s," of which Volcker was a director. By February 1980, Volcker had sent the prime lending rate to 21.5%

Within days of Volcker's initiation of his measures in 1979, *EIR* published an editorial, which appeared in the Oct. 30 issue, entitled, "Is Volcker Insane?" It stated, accurately, "Volcker's measures . . . savagely contract employment in production of real, tangible wealth, and concentrate a much larger portion of total money flows in the economy into the hyperinflationary churning mass of high-yield, sheer nonproductive speculation." LaRouche predicted a depression.

But, on Oct. 8, 1979, the *Journal* carried a lead editorial, "Support Mr. Volcker," which stated, "The new Federal Reserve anti-inflation package is the most hopeful economic policy development in over a decade." Worse, the *Journal* supported the collapse that would now engulf the economy: "Mr. Volcker will need plenty of support if the slide toward recession now accelerates."

On Oct. 26, the *Journal* ran a front-page article, entitled, "The Great Depression Had Its Big Winners Along with the Losers." This cynical piece was in effect an argument that maybe a depression in 1979 wouldn't be so bad after all.

On Oct. 29, the *Journal* ran an editorial, "The Crash of '79," which said that "all will be lost if fear produces political pressures forcing the Fed to abandon its efforts."

By 1982, the economy was in a slide, but the *Journal* still called for more of the same medicine. In a Feb. 2, 1982 editorial, "Paul the Navigator," the *Journal* praised Volcker, and blamed whatever misfortune may have occurred on the use of the wrong monetary measuring standards.

Also, during this time, as the Volcker measures forced Chrysler Corp. and the Rock Island Railroad to the brink of bankruptcy, the *Journal* called for pulling the plug on these companies.

By the end of 1982, LaRouche's forecast had been proven absolutely correct. Since 1979, machine-tool, steel, tractor, and auto production had all fallen by 25-40%. The machine-tool sector never recovered: As a result of the Volcker policy, it permanently lost more than one-half of its capacity.

Deregulation and Milken's junk bonds

In 1981, the *Journal* supported the deregulation of the nation's banking system, to open up the speculation even further. On June 29, 1981, the *Journal* praised the deregulation of the savings and loans, saying, "the beauty of these solutions is that they are cheap because they depend on the market and not on the Federal till." By 1988, the Federal government had pumped more than $200 billion into bailing out this policy failure, caused by the jacking up of interest rates combined with deregulation. So much for the *Journal*'s "cheap" solution.

While the *Journal* tossed around such phrases as "supply-side economics" and "economic growth," what it really meant was the unrestricted growth of speculation. The *Journal*'s heroes were Michael Milken of Drexel Burnham Lambert, Ivan Boesky, Meshulim Riklis, Carl Lindner, and Saul Steinberg, whose leveraged buy-outs became the dominant activity in the deregulated, high-interest atmosphere created by supply-side economics.

Recognizing that they had staked their all on Milken and his crew of crooks, Bartley and the *Journal* stood by Milken to the bitter end. In a June 13, 1986 article, "The Street Fighter: Fast-Growing Drexel Irritates Many Rivals with Its Tough Tactics; But Many Clients Stay Loyal," the *Journal* did a typical puff piece on Milken, writing, "Tales of Mr. Milken's frenetic, workaholic style, immense earnings and relentless stance against interlopers have made him a Wall Street legend at age 39. Even some Drexel critics have compared him to J.P. Morgan as an innovator."

In 1988, Milken was charged by Federal authorities with criminal activity. The charges were shaped so as to leave the most criminal activities—the destruction of entire companies—out of the indictments. In late 1990, Milken was convicted and sentenced to ten years—a very light sentence in light of what he really did. He served less than two years in jail. Yet the *Journal* fanatically defended him, because it realized that its supply-side economics and the activities of Milken went hand in hand. By 1990, the 1980s was being called a decade of greed, which the *Journal* considered an indictment of itself. The *Journal* lashed out. In a Nov. 23, 1990 editorial, "Symbol of the '90s," the *Journal* wrote:

"Michael Milken has often been depicted as the symbol of the 1980s, the Master of the Universe presiding (with Ronald Reagan) over the decade of greed. . . . We fear he is becoming the symbol of the 1990s, the decade of vengeful destruction." That is, sentencing Milken was vengeful: He should have received no sentence. The *Journal* continued, "Michael Milken was a threat—to entrenched corporate managers, to Wall Street competitors, to regulators who prefer their markets neat and pretty." This paean to criminality tried to deny the fact that during the 1980s there were $700 billion worth of leveraged buyouts which left hundreds of thousands of workers unemployed, and many companies shells of their former selves, especially manufacturing companies.

In a Feb. 13, 1991 editorial, "To Err Is Human" the *Journal* made the case that Milken's sentence should be reduced.

The Journal today

During the 1990s, the *Journal* has defended the worldwide speculative financial bubble, at the expense of the real economy.

The *Journal* played a major role in organizing for the passage of the North American Free Trade Agreement (NAFTA), which sucks manufacturing jobs out of the United States, and ships them to low-wage Auschwitz-style sweat shops south of the Rio Grande. During the Bush Presidency, the *Journal* called NAFTA Bush's "most important foreign policy priority." In an April 29, 1997 editorial, the *Journal* called for NAFTA to be imposed on a hemispheric-wide scale.

The *Journal* has pushed for the implementation in the Third World, of the most extreme forms of debt repayment, through privatization—selling off of their national patrimony to financier sharks. In 1996, it demanded the privatization of Brazil's crown jewel, the Companhia Vale do Rio Doce (CVRD), rich in iron ore, copper, zinc, gold, and other mineral wealth. A Dec. 3, 1996 *Journal* article denounced Brazil's nationalist military for trying to block the sale. It denounced any attempt by the government to "spend the Vale proceeds profligately," i.e., for infrastructure projects.

In the midst of the worsening Asian financial crisis, the *Journal* gloated that this would put a stop to the Asian nations' economic growth.

Domestically, the *Journal* is a lead organizer for privatization of Social Security. Under this package, the age at which a retiree qualifies for Social Security will be raised to 70; benefits will be reduced; and the current Social Security Trust Fund will be dismantled, with its more than $7 trillion to be invested in private retirement accounts, which money props up the stock market bubble. The *Journal* is a steadfast champion of Newt Gingrich's fascist "Contract on America" austerity measures.

LaRouche vs. Soros

As early as February 1997, mega-speculator George Soros's Quantum Fund started attacking Thailand's currency, the baht, and by June-July, it was taking short positions against (i.e., betting on the fall of) the Philippines peso, the Indonesian rupiah, and the Malaysian ringgit, which sent the currencies falling by 40-70% percent. On July 28, Malaysian Prime Minister Mahathir bin Mohamad called Soros a "criminal."

The *Journal* leapt to Soros's defense. It ran, on the front page of its Sept. 19 Asian and European editions, an article entitled "Malaysia's Mahathir Finds Strange Source for Soros Campaign; Asian Country's Media Tap U.S. Conspiracy theorist Lyndon LaRouche Jr." The *Journal* wrote that much of the information that the friends of Mahathir in Malaysia have used to skewer Soros, came from *EIR* and Lyndon LaRouche. The *Journal* perhaps thought that presenting the Mahathir-LaRouche relationship would be damaging to Mahathir. Indeed, what it did, was to draw the battle lines between Soros, speculator hit-man for the British Commonwealth, and LaRouche, whose record of accurate economic forecasts for 40 years is well known, and whose plan for a development-vectored new world monetary system, would destroy the financier oligarchy.