

Conrad's 'Black Hole' Puts Hollinger in Red

by Michele Steinberg and
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Conrad Black—the Canadian mogul who would rebuild Britain's Empire and take over the United States in a Dick Cheney-led coup d'état by Straussian neo-conservatives—took a dressing down on May 22, when he was forced to make significant concessions to the shareholders meeting of the New York-based Hollinger International, Inc., of which he is Chairman and CEO. Among the concessions wrung from Black, who now goes by Lord Black of Crossharbour—the name he took when he entered the British House of Lords in October 2001—were that he would cap his salary at \$6 million and reduce other perquisites that may have netted him and other top executives \$73 million in recent years, in a practice of “shovelling” funds back and forth between holding companies, publishing companies, management companies, and consultancies.

Black came to the New York meeting after a hail of very loud protests by leading shareholders, including O. Mason Hawkins, who is Chairman of Southeastern Asset Management, the largest outside investor in Hollinger. Another important combatant was Christopher H. Browne, a partner of Tweedy, Browne, who had demanded in an end-of-May letter that the directors investigate \$73.7 million in non-competition fees that executives received when Hollinger sold newspaper holdings three years ago. Browne also repeatedly pressed Lord Black for more “transparency” in the firm's financial dealings.

New York-based Hollinger International, Inc. publishes an array of money-losing, but significant political intelligence publications including: The British royal family's favorite, the *Telegraph* (a.k.a. “The Torygraph”); Ariel Sharon's mouthpiece, the *Jerusalem Post*; and the *Chicago Sun Times*. Shareholders are distressed that under Black's autocratic management, the company has had \$552 million in losses in the last two years, and according to a report in *Forbes* magazine on May 26, has also had its credit rating reduced to CCC by Standard & Poor's. There is also a cut in the dividends to shareholders. *Forbes* reports that shareholders have accused Black of “feathering his nest” with the funds.

At the May 22 stockholder meeting, Lord Black conceded that he would form a special committee of independent directors to look into contentions that he and other directors were overpaid. Former Illinois Governor James Thompson, a member of the Board of Directors, tried to deflect some of the

stockholders' heat. The *New York Times* opined that candidates for the “independent directors” task force might include two members of Hollinger International's Advisory Board and members of the Defense Policy Board; namely, Henry Kissinger and neo-con Richard Perle. That would be a curious choice, since, ironically, both of these American warmongers are embroiled in their own “conflict of interest” scandals. Members of Congress are demanding they be dismissed from any advisory positions in the Defense Department, under suspicion of feathering their own nests in the buildup and aftermath of the Iraq war. Kissinger and Perle were also key in pushing through that war—a Lord Black project.

The stockholders in Hollinger International who staged the revolt over how “Lord Black” manages the public company's funds, might be interested to know how much he has thrown into the network of neo-con fronts, foundations, and losing enterprises key to his efforts to turn America into an imperial marcher-state.

Piggy-Banks for the Neo-Cons

On May 11, the *New York Times* published a startling expose of “the Cabal” of neo-conservative Straussian liars inside the Bush Administration, now under fire for manipulating “intelligence” reports given to Congress, the United Nations, and the American people, in order to get a green light for a war against Iraq. The article, illustrated with a humorous foot-high color cartoon of Straussian Paul Wolfowitz as a Roman Centurian, bare-foot and bare-legged beneath a short skirt, named Rupert Murdoch, owner of the News Corporation, as a “piggy bank” for the neo-conservative conspirators.

Dollar for dollar, Conrad Black may match, or even exceed, the amounts that Rupert Murdoch has put into the neo-con enterprises. Is Conrad putting Hollinger funds into a “Black Hole” of losing ventures that keep the neo-con operatives in business? Not only does Black compete with Murdoch for the “piggy bank” title, but they work together to keep the operations in business.

EIR is now investigating how this Murdoch-Black “duo”—often likened to the World War II and post-war role of media magnate Lord Beaverbrook (Max Aitken), intelligence operative of the old British Empire—actually operates. How much money do these “piggy banks” dish out to keep the neo-con network together? How are the funds delivered—through foundations, private grants, salaries, travel expense reimbursements, or other means? What we can report with accuracy at this time is the list of neo-conservative institutions and publications that Murdoch and Black either fund or control.

On Murdoch's Tab

The Straussian cabal members on Murdoch's tab are:

- The *Weekly Standard*, standard-bearer of the neo-con chicken-hawks, run by William Kristol, whose father, Irving Kristol, is a neo-con founder. This Murdoch outfit spawned the Project for a New American Century (PNAC), which

wrote one of the three major imperial papers that are used by the lead putchist in the Bush Administration, Vice President Dick Cheney.

- The *New York Post*, which employs a serpent's nest of neo-con Baby Boomers and chicken-hawks, including John Podhoretz (son of neo-con co-founder Norman Podhoretz), Daniel Pipes (son of Cold Warrior Richard Pipes), and Dick Morris, the disgraced Clinton Administration consultant who was caught in a toe-sucking tryst with a call girl, and fired on the eve of the 1996 Democratic Party convention. "Dirty Dick" Morris is also a second-generation right-winger—son of Eugene Morris, cousin and collaborator of Sen. Joe McCarthy's infamous sidekick, Roy Marcus Cohn. Murdoch also employs Ariel Sharon's poison pen, Israeli intelligence agent Uri Dan.

- Murdoch is on the Board of Directors and/or advisors of a group of interlocking Washington Conservative Revolution think-tanks, including the Cato Institute, a radical free trade outfit that supports legalization of psychotropic drugs; and the American Enterprise Institute and its spinoff, the New Atlantic Initiative (AEI/NAI). It is at the AEI/NAI venture that Conrad Black and Murdoch are "joined at the hip." In 1996, in order to launch what Black now calls the "American Empire," Black and Murdoch put in the funds to hold a number of international conferences beginning with Prague, 1996, that featured Baroness Margaret Thatcher as the standard bearer. It was at these NAI conferences that the current policy of imperial war, using NATO out-of-area deployments, and using the Iraq war as the model for "pre-emptive war" was first laid out.

On Lord Black's Tab

To say that Conrad Black has delusions of grandeur is an understatement. He gave up his Canadian citizenship, including an important seat in the Privy Council, to become a member of the British House of Lords, when Canadian Prime Minister Jean Chretien would not waive the Canadian laws that prohibit such an aristocratic foreign allegiance. From there, he has launched the call for the revival of the British Empire through its role as "junior partner" of the American Empire (see *EIR*, April 25). But for Lord Black, it may cost many millions of dollars to fulfill that promise—it would require the complete destruction of the American system tradition, and the U.S. Constitution. And that is exactly what his stable of Straussians and neo-cons is out to accomplish.

First and foremost, the boards of directors and advisors of Hollinger and its affiliates, including the *Telegraph* newspapers of London, the *Jerusalem Post*, and the recently acquired *National Interest* magazine of Washington, are a veritable welfare roster for operatives of this network and outlook. A partial listing:

- Barbara Amiel Black, wife of Conrad Black, and Vice-President, Editorial, London. Director, Hollinger, Inc., and Hollinger International, Inc.

- Baroness Margaret Thatcher, LG, OM, Prime Minister of Great Britain (1979-90). Senior International Adviser, Hollinger International, Inc.

- Lord Peter Rupert Carrington, KG, GCMG. Senior International Adviser, Hollinger International, Inc., and Director, Telegraph Group Ltd.

- Henry A. Kissinger, KCMG, former U.S. Secretary of State and National Security Adviser; former member President's Foreign Intelligence Advisory Board. Senior International Adviser, Hollinger International, Inc., and Director, Hollinger International, Inc.

- William F. Buckley, Editor-at-Large, *National Review*. International Advisory Board, Hollinger International, Inc.

- Newt Gingrich, former Speaker of the U.S. House of Representatives (1995-98). International Advisory Board, Hollinger International, Inc.

- Richard Perle, U.S. Assistant Secretary of Defense for International Security Policy 1981-87; Senior Fellow, American Enterprise Institute. International Advisory Board, Hollinger International, Inc.; Director Hollinger International, Inc.; Director, Jerusalem Post Publications, Ltd.; and Chairman, Hollinger Digital, Inc.

- Paul A. Volcker, Chairman, James D. Wolfensohn Inc. (1988-96); Chairman, U.S. Federal Reserve System, 1979-87; North American Chairman, Trilateral Commission.

But the Hollinger enterprises are, at least allegedly, commercial ventures that have at least a shot at making money. That cannot be said for the neo-con sinkholes that Lord Black put into his list of political assets over the last two years. One is the Hudson Institute, a moribund right-wing think-tank with limited resources, which has now hired on several of the most well-known chicken-hawks including Richard Perle and Meyrav Wurmser, both authors of *Clean Break: a New Strategy for Securing the Realm*. That 1996 warmongering policy paper for then Israeli Prime Minister Benjamin Netanyahu, called for joint U.S./Israeli wars for regime change in Iraq, Syria, and against the Palestinian Authority. In recent months, in an apparent favor to Perle—recently dumped because of a financial scandal from chairmanship of the DoD's Defense Policy Board—Hudson also hired Laurent Murawiec, a low-level RAND analyst, whom Perle used at the Board to air the policy of a U.S. regime overthrow against Saudi Arabia. The policy was a lead balloon that got Murawiec back on the rolls of the unemployed. Another sinkhole is *National Interest*, which has become a watering hole for the Straussian liars to push their empire and "perpetual war" policy.

One must add the five-days-a-week *New York Sun* under the editorship of Seth Lipsky, the *Wall Street Journal* veteran, who is reportedly an ardent follower of Jewish fascist Vladimir Zeev Jabotinsky. The *Sun* barely survived its first year.

How much these "extra-curricular" activities of Lord Black have cost Hollinger investors remains to be seen. It is an angle well-worth their investigating.