
Republican Party

The East Side Conservative Club: a threat to national security?

by Scott Thompson and Charles Tate

While the British Crown mobilized every asset and called every blackmail chit to gain U.S. backing against Argentina, President Ronald Reagan was whisked off last month on a "fantasy island" vacation in the British Barbados with William F. Buckley, the serpent-tongued leader of the East Side Conservative Club in New York's "Silk Stocking District." While the President was distracted, if not charmed, by Bill Buckley, sources report that his brother James, who is U.S. Assistant Secretary of State, and other Club members holding posts in the Reagan administration, joined forces with Vice-President George Bush, White House Chief of Staff James Baker III, and Secretary of State Al Haig, to block the United States from invoking the Monroe Doctrine and to hand U.S. foreign policy to the British Crown.

These maneuvers underscore the threat the East Side Conservative Club (ESCC) and its allies pose to U.S. national security. The leaders of this Club are truly the "silk stocking layer" of international organized crime. Club leaders have been linked to the Propaganda-2 Masonic lodge which was exposed by Italian magistrates as a center for those international narcotics and terrorist networks responsible for the kidnaping of Gen. James Dozier and for repeated attempts to overthrow the U.S.-allied government of Italy. Others have been linked to the Permindex "Murder, Inc." Corporation which has implicated in the assassination of President John F. Kennedy. It seems that to become a member of the Club, one must be willing to do business on the shady side of the law and to rub shoulders with some of the top organized-crime families and fascists.

The latest issue of the *East Side Beaver*, the Club's newsletter, cites the following string of appointments for ESCC members in the Reagan administration:

- **William F. Buckley, Jr.**, appointed consultant on policy planning for the National Security Council.
- **John Shad**, appointed chairman of the Securities and Exchange Commission.
- **Tom Bolan**, the Club's chairman, appointed head of the Overseas Private Investment Corporation.
- **Maxwell Rabb**, appointed U.S. Ambassador to Italy.

- **Jean Gerard**, appointed U.S. Ambassador to UNESCO.

- **Paul Dano**, appointed to the Advisory Board of the Small Business Administration.

Tom Bolan and the GOP-2 Club

East Side Conservative Club chairman Tom Bolan's membership in the Sovereign Military Order of Malta, a pseudo-Catholic association of the Italian oligarchy that has been condemned by Popes John XXIII and Paul VI, justly earns the Club the title "GOP-2." Most of the military and intelligence chiefs ousted by the Italian government for secret membership in the Propaganda-2 Masonic lodge, which is an international control point for the highest levels of organized crime, narcotics trafficking, and both Red Brigades and neo-fascist terrorism, are also members of the Sovereign Military Order of Malta. Other members of the Order have included: Argentine dictator Juan Perón, the patron of Licio Gelli (the head of the P-2 lodge) during his 20-year exile; Umberto II, the head of the House of Savoy and pretender to the throne of Italy; Prince Gutierrez Spadafora, a collaborator with the P-2 plotters and board member of the Permindex assassination cabal; and Massimo Spada, an intimate business associate of Michele Sindona, who has been indicted on charges of drug trafficking in Italy and convicted on multiple charges of bank fraud (see *EIR*, April 13).

In court testimony and in statements to the FBI, Sindona admitted to being part of a P-2-run plot in the autumn of 1979 that was to restore the House of Savoy to power in Italy. Sindona named figures ranging from the Gambino organized-crime family to Secretary of State Al Haig, former CIA Director Stansfield Turner, to former Treasury Secretary David M. Kennedy as complicit in this plot from the American side.

Bolan and Buckley's fellow Club member, Maxwell Rabb, the U.S. Ambassador to Italy, provides another GOP-2 link. Until his appointment, Rabb was on the board of the Sterling National Bank, which handles all financial operations for the Anti-Defamation League of B'nai B'rith. On Jan. 29, representatives of the Italian

government filed a suit in New York which alleges that Sterling Bank had carried out a \$27 million fraud on behalf of the jailed Sindona. This suit, filed shortly after the release of General Dozier by his Red Brigades kidnapers, occurred in the midst of a massive crackdown by Italian magistrates against the Mafia dope traffickers, Sindona among them, who finance the Red Brigades.

The Italian government's court papers show, in painstaking detail, how Michele Sindona and his associate, former Continental Illinois Bank chairman and Mormon church leader David M. Kennedy, allegedly used the Sterling National Bank to milk \$27 million out of Sindona's soon-to-be-bankrupt Banca Privata Italiana into a maze of Swiss banks and thence into Sindona's Franklin National Bank. Sterling's Banca Privata partner in this alleged fraud has also been named as a funding conduit in earlier P-2-run coup attempts in Italy, including one in 1970 that involved the Fascist Prince Junio Valerio Borghese.

Thus, ESCC member Max Rabb is associated with the very circles seeking to overthrow democratic government in an allied country where he has been appointed to represent U.S. interests!

Bolan, Cohn and the courts

Serious questions also arise about Bolan's own appointment as a director of the Overseas Private Investment Corporation, a U.S. government agency which underwrites billions of dollars in insurance for strategically vital high-risk foreign investments. Had the Senate held public hearings on the Bolan appointment, it might have learned that Bolan, often together with Roy Cohn, his law partner in Saxe, Bacon, and Bolan, and a fellow ESCC leader, has repeatedly been investigated and tried for financial wrongdoing.

In 1970 Bolan and Cohn were indicted in Illinois on felony charges for alleged violation of the State Bank Holding Act against a company holding more than one bank in the same district. According to *New York Times* coverage, Bolan refused to appear in court on these charges, remaining in New York, which did not share extradition with Illinois in the matter. A new judge ultimately quashed the indictments against Bolan and Cohn, but co-indictee Victor Muscat was found guilty, fined \$20,000 and placed on five years' probation.

Muscat's Defiance Industries, which was found in violation of the Holding Act, shared interlocking ownership with two firms whose boards Bolan chaired, Gateway National Bank and Fifth Avenue Coach. In 1968-71, Fifth Avenue Coach became embroiled in a major scandal in New York. While Bolan faced civil charges, his law partner Roy Cohn was the subject of an SEC investigation and trial on charges of bribery, conspiracy, blackmail, extortion, and filing false re-



Roy Cohn with Steve Rubell of Studio 54.

ports. The court enjoined him from violating the securities laws. Cohn appealed the decision and lost. Legal standards have been changed. "Today, a similar warning would have been grounds for dismissal from the bar in most states," according to SEC attorney Tom Sonde.

Roy Cohn, Permindex, and the Mafia

As *EIR* detailed in our April 20 Special Report on the Fascist International, the Permindex "Murder Inc." networks with whom Cohn is intimate have been charged with responsibility for dozens of unsuccessful attempts to assassinate French President Charles de Gaulle. According to an unpublished report compiling information provided by both U.S. and French intelligence, Cohn was present at 1963 meetings in Las Vegas which allegedly involved planning the assassination of President Kennedy. These Permindex, P-2, and allied Mafia networks which East Side Conservative Club leaders are associated with represent one of the gravest potential security threats to President Reagan.

Cohn has been a frequent associate, business partner, and attorney for such organized-crime figures as Lewis Rosentiel, Carlo and Joe Gambino, Permindex's Joe "Bananas" Bonanno, and Carmine Galante. On Jan. 25, 1982 members of the Gambino family were indicted by a magistrate in Palermo, Sicily for heroin trafficking into the United States. Michele Sindona also named members of the Gambino family as those who arranged his phony kidnaping in the autumn of 1979 so that he could take part in a P-2 plot to overthrow the Italian government.

Since Roy Cohn began his career as a protégé of FBI Director J. Edgar Hoover and as chief counsel for Sen. Joe McCarthy in the 1950s, he has stayed on the

shady side of the law. In addition to indictments stemming from his involvement with Tom Bolan's Fifth Avenue Coach lines, Roy Cohn has been indicted on federal charges three times between 1964 and 1970. He has avoided paying \$1 million in back taxes to IRS by making himself legally impoverished through the transfer of his assets to his business partner Paul Dano, who, it has been alleged in federal court testimony, is Cohn's lover. A New York *Daily News* commentary concluded: "It's hard to tell where Cohn begins and Dano ends."

Since Cohn picked Dano up off the New York docks, Dano has done very well. He was recently appointed to the Advisory Board of the Small Business Administration, because of his "knack" for managing high-cash-flow small business—of the sort frequently used for recycling for narcotics revenues and other ill-gotten cash. "I'm in the business of handling cash. Cash, food, and parking outlets," Dano once said.

Dano's formula for how to succeed in business is revealed in his 1978 takeover of the Universal Money Order Company, a check-cashing outfit whose former owner, Eugene Skowron, had run afoul of the law and hired Cohn to represent him. Eighty thousand dollars later, Skowron pleaded guilty and was serving time in jail, while his old business ended up in Dano's hands. Cohn has denied tipping off his friend and sometime roommate.

Buckley gives them the business

In our April 20 issue, *EIR* detailed the ties that "respectable conservative" leader William F. Buckley and his family maintain with the World Anti-Communist League and Malmö International cabal of European fascists, epitomized by Sir Oswald Mosley and by SS Col. Otto "Scarface" Skorzeny, whom Hitler called "my favorite commando." Recent SEC investigations into the Buckley family's businesses attest that they share the same business "knack" displayed by Bolan, Cohn, and Dano.

In two separate cases, the Buckley family's private Catawba Corporation and William Buckley's Starr Broadcasting Corporation, were found by the SEC to have engaged in a consistent pattern of fraud and other SEC violations and were ordered to pay fines of nearly \$1 million and \$1.5 million respectively. In the Starr Broadcasting case, the SEC accused Buckley of willful fraud and levied one of the largest fines in any comparable case, when Buckley arranged for the Starr Broadcasting Group to purchase a chain of theaters of Texas that continually lost money. Buckley originally acquired these theaters with interest-free loans from SBG, which had been established with Buckley as chairman and a former employee on his yacht, Peter Starr, as president, to an investment front Buckley set up called Sitco. The SEC suit charged that Buckley et al. "knew at the time

... Buckley ... faced personal bankruptcy unless SBG extricated the Sitco partners from their precarious financial position."

Since the end of World War II Catawba, chaired by Bill's brother John Buckley, has been at the heart of a family "oil empire," which includes six tightly interlocked oil companies owning fields and leases from the North Sea to Australia. In a Jan. 18, 1977 article entitled, "All in the Family, Few Shareholders Strike It Rich in Buckley Oil Companies," *Barrons* reported on an SEC investigation into these firms which showed the Buckylys and their partners manipulating them to milk profits at the expense of stockholders.

In addition to his role as head of Catawba, John Buckley was president of Pantepec and United Canso. In 1975 the Buckylys initiated a proposal to turn over Pantepec's sole profit-making asset, the Magellan Corporation, which held interests in Australian natural gas fields, to United Canso, which would have meant a substantial drop in the value of Pantepec stock. In the same year, Catawba negotiated the sale of United Canso's North Sea holding for which the company was paid \$50,000. Instead of a standard broker's fee, John Buckley approved a \$3.2 million payment to Catawba, and he, his sister Priscilla Buckley, and their partners split a \$750,000 dividend from Catawba.

This is relevant to the appointment of fellow Club member John Shad to head the Securities and Exchange Commission. Shad's appointment was steered through Senate confirmation by Sen. Alfonse D'Amato (R-N.Y.) who is a member of the East Side Conservative Club advisory board. In his statement to the Senate, Shad reveals one glaring conflict of interest that was never questioned, namely that he is an investor in the Buckley family's oil firm, United Canso—the subject of SEC investigation.

Further questions of morality

East Side Conservative Club leaders are some of the most outspoken advocates of legalized dope and sodomy.

Roy Cohn is attorney for the Studio 54 discotheque, a dispensary for cocaine, marijuana, and quaaludes.

In its Dec. 8, 1979 issue, the *National Review* cover story declare: "The Time Has Come: Abolish Pot Laws." The series of four propaganda pieces—including a signed editorial by Buckley calling for legalization—was used by the National Organization for the Reform of Marijuana Laws (NORML) in its fundraising literature. Buckley has also admitted to use of marijuana ("on my yacht . . . outside the three-mile limit.")

While not himself an avowed homosexual, in an April 27, 1979 *National Review* column, Buckley counseled homosexuals on the steps they must take to make sodomy publicly acceptable.