

his budget-cutting friends on the House side are less interested in ensuring that the President takes the blame for the budgetary disaster emerging for the 1988 election year, than in taking the opportunity to assert congressional control over economic policy for all time. Representative MacKay and his Republican ally Rod Chandler (R-Wash.) have a hundred members' signatures on a letter demanding an economic summit meeting to take matters out of the hands of the administration.

By July 29, Chiles and Domenici had announced agreement on a joint plan for automatic sequestration. By this time, the financial community lobby groups who had led the charge for automatic sequestration, were beginning to worry that the process had run out of control. Domenici's staff has been warning throughout that no compromise on automatic sequestration will be possible by Aug. 6, despite the announced deal with Chiles, given to the press with much fanfare the evening of July 29.

One lobbyist who attended a breakfast meeting of 65 representatives the morning of July 29 complained, "All discussion centered around the 1988 election. They know that spending cuts will cause grief, and they want this grief to come under Reagan, and make sure that a Democratic President and a Democratic House are elected in 1988. They also know that they aren't going to do anything next year, so whatever they do has to be done now. The problem is that they are split all across the board. They are vainly searching for an agreement among themselves, and they haven't found it. [House Ways and Means Committee Chairman] Rostenkowski (D-Ill.) is still split from Speaker Wright, and the Democrats are totally at odds among themselves."

A quiet campaign is under way to persuade the White House to rein in Domenici, and push through automatic sequestration. "From the White House standpoint, it's not so bad," argued one lobbyist. "All right, they have to cut \$18 billion from defense this year, but that would still leave a 5.2% real growth in defense spending over the Reagan administration's term of office. And it would enable them to cut domestic programs that they would never be able to cut any other way."

But even if the White House makes a serious push for automatic sequestration, that might give Jim Wright the support he needs to destroy the measure in the House. Rostenkowski now backs automatic sequestration, but positions of this type may mean nothing important when the votes are counted. Literally anything might happen on Aug. 6, when the slightly postponed debt ceiling expires. The constitutional crisis just under the surface may erupt into view; it might be postponed until the budget debate reaches its climax at the end of September; or some third, unforeseeable sequence of events may emerge. The only thing clear in this situation is that the old rules of behavior lead to insoluble impasses, dictated by economic reality.

Inside the 'secret Irangate' mystery

by Herbert Quinde

Roy Godson, a nefarious intelligence community privateer of the Project Democracy "secret government" and a long-time "LaRouche watcher," is being investigated by Irangate independent counsel Lawrence Walsh. The Georgetown University professor is the focus of attention because of his suspected role as the previously undetected manager of a network of money-laundering entities used by the secret government in renegade covert operations ultimately beneficial to Soviet strategic policy, among which were aiding the Contras.

If the probe results in Godson's indictment and conviction, the United States will be a big step closer to taking apart the unconstitutional apparatus that is blackmailing Ronald Reagan over the Iran-Contra mess and which has disrupted the functioning of the U.S. intelligence community.

Attacks on LaRouche

Godson's role in the conspiracy also sheds light on the attacks by the secret government against Democratic presidential candidate Lyndon LaRouche and his associates. Godson who is the product of a "neo-conservative" network of "ex-communists" and "ex-Trotskyists" associated with the AFL-CIO, has been a "LaRouche watcher" since 1968 at Columbia University. In 1975, he was already circulating the lie that LaRouche and his associates were Soviet assets who represented a secret Soviet terrorist capability. Godson, along with Tom Kahn, head of the AFL-CIO International Department, met with FBI officials in early 1976 to encourage them to continue their illegal "Cointelpro" operations against LaRouche's organization.

The Godson line that LaRouche is "KGB" became the rationale for running covert operations against LaRouche and his associates under Executive Order 12333, starting in 1982.

Documents made available through the Freedom of Information Act demonstrate how Godson disrupted the policy input provided by LaRouche to the Reagan administration.

government': man Roy Godson

From the beginning of the Reagan administration, LaRouche and associates participated in formulating defense and national security policies which, in part, contributed to President Reagan's Strategic Defense Initiative and the War on Drugs.

The "smoking gun" is a document written in 1982 by then FBI counterintelligence chief James E. Nolan. The document is an internal report about the activities of *EIR*, LaRouche, and an affiliated philosophical association, the National Caucus of Labor Committees (NCLC). At that time, there was no ongoing official or legal investigation by the FBI to warrant such a report. The document states, in part:

"We would like to reiterate our conclusion that, while many of the harassment activities of the NCLC and the themes promoted by the NCLC publications, such as *EIR*, are often propitious to Soviet disinformation and propaganda interests, there is no firm evidence that the Soviets are directing or funding LaRouche or his organization. It is entirely plausible, however, that the Soviets have developed or may be developing sources within the NCLC who are in a position to interject Soviet-inspired views into NCLC activities and publications."

Sources indicate that Nolan's wild speculation originated from his participation in an extragovernmental network of intelligence community specialists directed by Godson and sponsored by the National Strategy Information Center (NSIC).

The secret government conspires

Godson has long been, behind the scenes, a Rasputin figure in creating the "secret government." Through his direction of the Consortium for the Study of Intelligence (CSI), Godson from 1979 to 1982 staged private conferences on intelligence policy and operations to convince President Reagan to sign Executive Order 12333, the 1981 order that enabled the secret government to run amok. Sponsored by the

NSIC, the CSI conferences assembled U.S. officials and intelligence privateers who have figured in the Iran-Contra affair.

FBI official Nolan attended an April 24-26, 1980, CSI conference on counterintelligence. Some of the other participants were:

- Theodore Shackley—the man to first make contact with Israeli agent and Iranian businessman Manucher Ghorbanifar and discuss an arms-for-hostage exchange. Shackley is the alleged "godfather" of the logistics complex that facilitated delivery of arms to the Ayatollah Khomeini and East bloc weapons to the Contras.
- John Norton Moore, the international law consultant to the Intelligence Oversight Board who Colonel North testified had advised him that no laws were being violated by covertly arming the Contras.
- Major General Schlomo Gazit—the former director of Israeli Military Intelligence who, according to the Tower Commission Report, became National Security Consultant Michael Ledeen's secret liaison to the Israeli government.
- Kenneth de Graffenreid, Director of Intelligence Programs at the National Security Council, now infiltrated deep in the Pentagon bureaucracy, from whose office Colonel North and Fawn Hall obtained the documents that were shredded.
- Dr. Angelo Codevilla, a member of Reagan's Intelligence Transition Team, now at the Hoover Institute, who with De Graffenreid were the authors of the secret government's mandate, Executive Order 12333.
- Herbert Romerstein—presently, a "Soviet disinformation" specialist with the U.S. Information Agency (USIA) who is implicated with Godson in the Iran-contra funding scandal.
- W. Raymond Wannall, former FBI assistant director and sponsor of John Rees, a Moonie-connected professional intelligence "snitch," suspected by some in the intelligence community of being a "mole."

Other CSI conferences, during the 1980s, assembled key "social democratic" operatives of Project Democracy, including:

- Midge Decter, director of the Committee for the Free World, the umbrella group of neo-conservatives who led the charge in support of the no-win Contra policy. Decter, assisted by Moonie editor Arnaud de Borchgrave, set up the first public effort to finance the Contras through private donations. She is also Elliott Abrams's mother-in-law.
- Cord Meyer: syndicated columnist and former CIA operative who is a close friend of James Nolan. He was one of the intellectual founders of the American Institute for Free Labor Development (AIFLD). An AFL-CIO and State Department-financed entity, AIFLD has participated in the destabilizations of governments friendly to the U.S. in Ibero-America and implicated in the region's narcotics trafficking

networks.

● Penn Kemble, founder of Prodemca, an abbreviation for Project Democracy, Central America which was heavily funded by the National Endowment for Democracy, the overt side of Project Democracy financed by Congress.

Money laundromats

Revelations by Lt. Col. Oliver North and Admiral Poindecker and documents released by the congressional Irangate panel, confirm that Godson was a key conspirator in laundering money to support the discredited Contras. North testified that in 1985 he, Godson, then-National Security Adviser Robert McFarlane, and a fourth man met at the White House; there Godson agreed to help North in "fundraising efforts" to support Project Democracy's Central American activities.

On July 15, the *Pittsburgh Post Gazette* reported that the fourth man at the 1985 White House meeting was Clyde H. "Terry" Slease III, formerly a lawyer for Richard Mellon Scaife, Eastern Establishment financial angel to New Right causes. Slease and Godson solicited from Pittsburgh businessman John Donahue a \$100,000 contribution which was laundered through the Heritage Foundation and given to the Institute for North South Issues (INSI)—the latter run by indicted Contra fundraiser Richard Miller.

Miller next transferred \$80,000 to a Cayman Island ac-

count called I.C., Inc. (Intel Co-Operation Inc.) which had been set up at North's request. A balance sheet of the account at Barclay's Bank, released by the congressional panel, indicates \$7,300 was sent to Richard Secord's Lake Resources account in Switzerland.

The evidence points to Godson's role as ringleader in a conspiracy to violate federal tax statutes, similar to the violations that led independent counsel Walsh to issue his first indictments. Miller and conservative homosexual fundraiser "Spitz" Channell have pleaded guilty of conspiracy to solicit tax-free contributions that went to support the Contras.

Godson himself, according to Bob Havel, press spokesman for the House Select Committee on Irangate, has been under investigation since March of this year, and has been deposed by House investigators.

Meantime, the Gannett News Service reported earlier this year, Godson's leading role in orchestrating a 1985 International Youth Conference in Kingston, Jamaica. The article shows that at the time, Godson was a clandestine operative in illegal covert operations for the "secret government."

While a paid consultant to the National Security Council, Godson coordinated the financing for creation of the Jamaica-based International Youth Commission which hosted the 1985 conference. The International Youth Commission and the Institute for North South Issues appear on a flowchart of Project Democracy fronts found in Colonel North's safe, with "INTL YOUTH COMM" connected to "FDN," the Adolfo Calero-led Contra group. Sources believe that the conference was used as a cover to conduit money to the Contras.

Godson coordinated the financing for the operation and worked with Walter Raymond, NSC Director of International Communications, now with USIA. Godson, Raymond, and North were regularly seen at IYYC meetings up to 1985. Sources report that Herbert Romerstein and Robert Reilly were also part of the scheme. Reilly, a USIA official was a key propaganda operative for the disastrous Central American policy of the administration. He is now an official at the U.S. embassy in Switzerland.

The International Youth Commission got at least \$2 million of publicly documentable funds. The NED kicked in \$107,000, and the Agency for International Development \$1 million. West Germany's Konrad Adenauer Foundation, an original supporter of the conference, gave \$150,000. The Labor Committee for Transatlantic Understanding, based in London, for which the late father of Godson was an operative, is also under investigation as part of the web of money-laundering fronts.

Godson also edits *Disinformation*, a newsletter reputedly concerned with countering Soviet active measures. It serves an opposite purpose, as implied by its board of directors: Social Democratic operative Sidney Hook; Mossad-linked Uri Ra'an, former teacher of Soviet/Israeli spy Jonathan Pollard; and many self-styled Soviet defectors.

When a guy who runs guns to Khomeini looks downright patriotic compared to Congress and the media—you know America needs . . .



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