

SPECIAL REPORT

The Lockheed Scandals: Wall St.'s International Blackmail Operation

by **Bob Cohen and Ron Kastner**

March 13 (IPS) — Information uncovered by IPS that a consortium of 24 Rockefeller and Rothschild banks took complete control of the Lockheed Aircraft Corporation one year ago has shed new light on the so-called Lockheed scandals and exposed them as an international blackmail operation being directed against the pro-development enemies of those Wall Street debt collectors. It has also been learned that Felix Rohatyn of Big MAC notoriety directed the March 1975 takeover of Lockheed in his capacity as chief fascist trouble-shooter for the Rothschild's Lazard Frères investment bank in New York, and is now intimately involved in the current phony international scandal-mongering.

Wall Street is now using contrived exposés of alleged Lockheed pay-offs to libel and frame-up Italian, Japanese and Third World (notably Colombian and Turkish) anti-austerity industrial and political figures, in order to facilitate the worldwide extension of Rohatyn's fascist Big MAC enterprise. On a smaller scale, this would be known as extortion. Conducted on the current scale for the extraction of billions in dollar-denominated debt service payment at the expense of human life, it is conspiracy falling within the terms of Nuremberg's "Crimes Against Humanity."

Directly involved in this conspiracy are several key government organs in the executive and legislative branches. These include the subcommittee on Multinational Corporations of the U.S. Senate under Senator Frank Church (D-Idaho); the Senate Intelligence Committee, also chaired by Church; the Senate Banking Committee chaired by Senator William Proxmire (D-Wisc.); the General Accounting Office (GAO), the U.S. government's official debt-collection agency headed by Elmer Staats; the Emergency Loan Board under Arthur Burns, Chairman of the Federal Reserve, and William Simon, U.S. Treasury Secretary; and the Central Intelligence Agency.

Felix the Fixer

According to the March 17, 1975 issue of Business Week, Rohatyn and the 24 banks he represents took full control of Lockheed through a \$650 million bailout loan, \$250 million of which was government guaranteed. Subsequent to that publication, all mention of Rohatyn's management of the affair has been blacked out. According to Business Week, Rohatyn secured full control of the corporation for the Rockefeller-Rothschild consortium through the connivance of Treasury Secretary William Simon and Federal Reserve Chairman Arthur Burns, who headed up the Federal Emergency Loan Board. With their aid, Rohatyn demanded and received both an extension of the 1970 federal loan guarantee scheduled to run out last December and a "restructuring" of the corporation's debt, whereby the banks were given the

option of converting debt payment directly into corporation stock of equal value, thus giving the banks a controlling interest. Rohatyn subsequently installed a new chairman at Lockheed, Robert Haack, former president of the New York Stock Exchange and a director of both the Merrill-Lynch brokerage house and Rothschild's French-American Banking Corporation.

Following the script authored by Rohatyn and Lazard Frères, it is the Church Committee on Multinational Corporations which has been the source of most of the Lockheed "bribe-taking" scandals. Beginning with leaks by "ex-"military intelligence officer Ernst Hauser, Rohatyn put the conspiracy into operation by sending Lockheed Vice Chairman Carl Kotchian to the Church hearings with fabricated memos and contrived testimony carefully fingering the Wall Street bankers' pro-debt moratorium opposition in Italy and Japan. Not coincidentally, the Kotchian testimony broke just days before the Wall Street extortionists launched economic warfare against Italy in early February. The Rockefeller-Rothschild cabal organized a run on the Italian lira, a cut-off of oil shipments to that nation by the Seven Sisters oil cartel, placed U.S. military forces in Europe on yellow alert and waved the threat of scandal in this effort to secure commitment on Big-MAC-style fascist austerity from the Italian government parties.

According to Business Week, Kotchian and former Lockheed Chairman Donald J. Haughton arranged all the revelations before the Church Committee entirely without the knowledge of other members of the board of directors until after the story hit the newspapers. Both men then resigned, authoring a public letter calling for "a new standard of international business conduct" prominently featured in all major press.

The Church Committee

The selection of the Church Committee as a soap-box for the Big Lie scandals was not arbitrary. Church himself was a military intelligence officer during World War II, and appears to have been connected to IBM's "private CIA" prior to the formation of the official government agency by Truman and is still listed in the East German government publication of "Who's Who in the CIA." From 1963-73 he was an active member of the New York Council on Foreign Relations chaired by David Rockefeller. Notably Church's Senate Intelligence Committee, supposedly investigating the CIA, was staffed by the IBM law firm, Cravath, Swaine, and Moore, whose chief partner is none other than Roswell Gilpatric, the former Undersecretary of Defense who is Nelson Rockefeller's personal lawyer! Cravath, Swaine and Moore also represent General Dynamics and Rockefeller-CIA media magnate William Paley's CBS!

Other members of the Church Subcommittee on Multinational Corporations include Senator Charles Percy of Illinois, who at the age of 28 was president of the Bell and Howell corporation and whose other links to the Rockefeller family include his daughter's marriage. Both New York Senator Jacob Javits, elected with heavy Rockefeller financing each term, and Pennsylvania Senator Hugh Scott, the Republican from Gulf Oil also sit on the Senate Foreign Relations Committee, the parent body of the Multinational Subcommittee.

At all levels of the proliferating investigations and revelations regarding Lockheed and other corporate bribery tales is found the determining hand of the Wall Street debt collectors. Last week Elmer Staats of the General Accounting Office demanded access to Lockheed's books, stating that he intended to go after "more politicians." Staats was a former research director for the Wall Street allied Marshall Fiedl and Company; from 1954-58 he was head of operations for the National Security Council.

Also involved in spreading Lockheed and other corporate investigations is the Senate Banking Committee under William Proxmire. It was Proxmire who first went after Lockheed in 1969 when it became scandalously clear the corporation would have trouble paying its debts to the New York banks.

At present, numerous other corporations are readily coming forth with admissions of bribery and other wrongdoing, each controlled by the Rockefeller-Rothschild alliance of banks. The latest confessor-corporation, ITT, has Felix Rohatyn as a member of the Board, a position which he has held since before that company's complicity in the CIA overthrow of Chile's Salvador Allende government in 1973. Otherwise, we find such Rockefeller corporations as Northrup, Exxon, McDonnell Douglas, G.D. Searle and Boeing all "admitting" to bribing or otherwise corrupting potential anti-Wall Street figures in Italy, Japan, and elsewhere, each target country carefully selected for their opposition to Wall Street's fascist policies.