

Lance Counterattack Opens Battle Against N.Y. Control Over Nation's Capitol

Although Bert Lance has resigned as Budget Director—hounded out of office by New York-centered monetarist forces enraged by his obstruction of banker Felix Rohatyn's hyperinflation cum mass slave labor schemes—the reverberations of his indictment of his Senate and media accusers will continue to be felt, and felt heavily, in the nation's capital. Lance's stinging counterattack on Senators Ribicoff and Percy, and the emergence of an organized bloc of predominantly conservative senators from the sunbelt and southern states who rallied to his defense, has brought into the open a battle for control of the Carter Administration and to determine the direction of the nation's policies. Ranged against one another are the New York-centered monetarist forces who engineered Carter's election and his subsequent antigrowth "energy program," and growth-oriented forces who are seeking to block the deindustrialization and slave labor programs identified with the figure of Rohatyn, and supplant Carter's current zero growth-oriented program with one stressing development of expanded energy sources, particularly nuclear power.

Lance turned the tables on the stunned Ribicoff, Percy, and Javits crew during his appearance at the Senate hearings. Putting these Jewish investment banker agents and their *Washington Post-New York Times* cohorts on trial, Lance scorned their "totalitarian" tactics of lies, innuendo, and smear, revealed the telling fact that Ribicoff, Percy, and Javits were aware by the January confirmation hearings of every "irregularity" now "surfacing," refuted one by one their hoked-up charges against him, and exposed the cabal's attempted destabilization "of me — and indeed the Carter Administration — with suggestions of 'cover-up.'" To a standing ovation Lance summed up his "appeal to the American people": "I did not ask for this fight but now that I am in it I am fighting not only for myself but also for our American system...."

Jimmy Carter himself — heretofore a willing puppet of the bankrupt Lazard and Chase Manhattan financiers — gave his budget director his complete backing in the counterattack. According to Evans and Novak Sept. 17, Carter told evangelist Billy Graham that "If I let them 'drive' Bert Lance out it will only whet their appetites for other victims within my official family...The press demanded Lance's head before the facts were known and before Lance had his day in court." Carter correctly assessed the Lazard-Chase intentions: "Getting rid of Lance...would induce an irresistible avalanche of investigations against other Carter Administration officials...the focal point of this attack would probably be the 'Georgia mafia' starting with Attorney General Griffin Bell."

Lance's unanticipated counterpunches on Ribicoff, Percy, and Javits had their effect. As the Sept. 16 *Washington Star* headlined it, "Lance Fights Back, Ribicoff and Percy Destabilized." A national TV

audience was able to watch a shift in the country's political geometry as a confident Lance toyed with the demoralized Ribicoff, humbled the sanctimonious Rockefeller-in-law Percy, and called the bluff on Javits.

By the end of the Lance testimony, Lance's supporters on the Committee led by Sen. Nunn had forced Chairman Ribicoff to accede to their demand for an "investigation of the investigators" — beginning with a probe of the Committee staff composed of "Our Crowd" investment banker Fabian lackeys. When Javits gratuitously suggested that "Lance should get out of the kitchen if he can't stand the heat," Nunn retorted "Mr. Lance has not only taken the heat in the OMB kitchen but this week Mr. Javits he's been doing a little cooking of his own!" And, Senator Eagleton (D-Mo.) castigated Percy for going Joseph McCarthy one better and developing against Lance the method of "guilt by accumulation."

Sensing that the hearings were turning into an unmitigated disaster for the "Our Crowd" investment banking cabal, Fabian columnist David Broder wondered out loud in his column in the *Washington Post* if Carter now believed "there really is a conspiracy to get him" and moaned that that would be "the worst thing that could happen." Post columnist Mary McCrory had to admit that Lance had "emerged victorious and would now probably hold his job."

Battle Lines Drawn

Lance coordinated his counterattack against New York finance with several members of the Senate Governmental Affairs Committee who themselves represent regional financial-industrial blocs looking to put together a winning combination against Lazard Freres and the Rockefellers. Significantly, the St. Louis group led by Republican Senator Danforth of the Ralston Purina family and Democratic Senator Eagleton with strong ties to the Missouri AFL-CIO allied with conservative Southern Democrats including Nunn, Chiles (Florida), and Sasser (Tennessee) in all-out support for Lance, while Democratic Senators Jackson (Washington) and Glenn (Ohio), both with strong connections to industry and labor, tried their best to remain neutral. Sen. Ted Stevens (R-Alaska), previously a dupe of the investment banking cabal, reversed his position and told Lance, "I hope you survive."

Lance and Carter are also drawing support in their fight against the Lance and Chase OMB takeover plot from the Mellon-Scaife group of Pittsburgh (Westinghouse, Gulf, Alcoa, etc.). Last week the Mellon-controlled Westinghouse Broadcasting Co. suddenly spliced together and telecast nationally another Nixon interview session with David Frost in which Nixon explicitly called on Carter to "take his case directly to the American people" and "fight the Eastern Establishment media" if "he wants to save his Presidency."

Former Nixon OMB Director Roy Ash, now a board member of the solvent California-based Bank of America

and close confidante of John Connally, is also blocking with Carter and Lance, and on Sept. 16 met with the President to map strategy. NSIPS learned this week that the "Atlanta mafia" law firm King and Spaulding maintains connections with the Connally Texas group and both have strong ties with certain Arab investments and interests in the U.S. This helps explain why Clark Clifford — official legal counsel to Arab governments — was retained by Bert Lance.

With this strong combination of financial-industrial forces moving against the bankrupt Lazard-Chase fascists, Lance's supporters in the Administration are targeting Treasury Secretary Werner Blumenthal, an outspoken advocate of a "diarrhea monetary policy," for removal. Blumenthal is the direct boss of Comptroller of the Currency John Heimann, the Rockefeller agent who has devoted all his energies to keeping the flimsy case against Lance alive.

Break the Stalemate

Despite his subsequent resignation, Lance's counterattack and the lineup of forces behind it have made it difficult for Felix Rohatyn and company to carry out their fascist slave-labor energy program short of outright dictatorship. Nevertheless the accelerating political battle over what financial and economic policy will guide the U.S. remains stalemated — mainly because the proto-Whig forces have yet to commit themselves to the U.S. Labor Party strategy of an industry-labor coalition to get the country back on its feet. In the meantime, the Lazard-Chase forces are proceeding in panicked desperation with their terrorist destabilization of Western European governments and their plans to institute no-energy fascism in the U.S.

Nor have they given up on their Lancegate. The *New York Times*, *Washington Post*, et al. have followed up Lance's resignation with calls for the ouster of the entire "Atlanta mafia" faction in the Administration.

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Multipartisan Criticism Of Media, Support For Lance

News of Bert Lance's resignation sparked both defenses of the former Budget Director and attacks on the methods employed by his accusers from a broad, multipartisan cross-section of the American political and business worlds. Some typical comments:

Senator James B. Allen (D-Ala): Speaking on the floor of the Senate as President Carter was announcing Lance's resignation, Allen praised Lance for his "fiscal responsibility," and ripped into the role of the media and

Lance's senatorial accusers. "Some of us feel that giving him (Mr. Lance) a hearing and...then letting him resign was something like frontier justice, when the vigilantes would give a horse thief a fair trial and then hang him. I think this is a sad day for this country and for the prospects for this administration." Allen questioned whether allowing the media to "get Mr. Lance's scalp" was in the best interests of the government. "I wonder since the President caved in to the media demands whether he's ever going to recover from this sad situation."

Allen's criticisms of the media were quickly seconded by Senators John J. Sparkman (D-Ala) and Barry Goldwater (R-Ariz).

William E. Simon, former Treasury Secretary: "The whole Lance affair is personally very sad for me, especially when you look well beyond Lance's personal banking habits. The long-range significance of the whole Lance affair—from the circus performances of some of our senators to some of the aspects as reported in the press and on television—will be a very damaging effect on the government's ability to attract capable people."

Alan Greenspan, Townsend and Greenspan consulting firm: "I trust that this experience will not deter others from seeking prominent and exposed positions. But I fear it might."

Senator Sam Nunn (D-Ga): "He (Mr. Lance) has provided strong leadership at OMB, dedicating himself to President Carter's top priorities: balancing the federal budget and reorganization of government...The news media should do a little self-examination about its own role in this matter. Some of the statements made in the press were in excess."

O. Pendleton Thomas, chairman and chief executive of the B.F. Goodrich Company: "I felt that Mr. Lance was in favor of a balanced budget and against inflation. Those policies I'm in agreement with, and so, in that sense I feel his resignation might be detrimental to the country."

William F. Kenny, Jr., chairman of a large Northeast independent oil distributor: "I hope the President takes advice from Mr. Lance on who should follow in his course."

Senator Thomas Eagleton (D-Mo): Sen. Eagleton criticized the news media disclosures on Lance's dealings as "egregious" and "excessive," and also attacked the role of Sen. Charles Percy. "When you hear a senior senator accusing a United States official of being a tax evader, you ought to be offended, and I was."