

Russian influence in the Iowa granary

Kathleen Klenetsky tells a shocking story of the nest of pro-Soviet operatives in America's agricultural heartland.

On Aug. 28, Iowa Gov. Terry Branstad announced that his state had just formalized an agreement with the Soviet leadership to make Iowa the "sister state" of Stavropol Krai, an important grain-growing region in southwestern Russia.

Branstad's announcement came on the final day of an East-West trade conference sponsored by the governor's office. The idea for the meeting came out of a trip to Moscow which the governor made last year, where he met with Mikhail Gorbachov and other top Soviet leaders to discuss forging closer ties between Iowa and Mother Russia. An allegedly conservative Republican who used to hold a leadership post in Bill Buckley's Young Americans for Freedom, Branstad had been briefed prior to the trip by representatives of Armand Hammer and Hammer's designated successor as Moscow's favorite "capitalist," agribusiness magnate Dwayne Andreas.

The trade conference drew more than 200 Iowa businessmen and a raft of Soviets, including Gorbachov protégé Viktor Akulinin, second-in-command of Stavropol Krai, and deputy trade representative Albert Melnikov. The agenda focused on how to get rid of current U.S. trade restrictions, so as to permit Iowa to significantly increase the goods it provides to the Soviet war machine. Key speakers included Branstad, who gushed about how Gorbachov is "committed to improving relations and increasing trade," and Iowa banker John Chrystal, who told his audience that they were losing out on billions of dollars worth of business deals because of Washington's "unfair" restrictions on East-West commerce.

Akulinin toured several Iowa companies, including a Quaker Oats processing plant, where he dangled the prospect of joint ventures. According to a spokesman for the governor, Branstad intends to try to finalize such agreements next December, when he will make a pilgrimage to Moscow.

Iowa, Russia, and the grain cartel

The sister-state relationship and the trade conference are just two of several recent developments which point to a shocking truth about the state: Iowa—whose presidential primary caucuses next January will greatly influence the outcome of the 1988 elections—is dominated, politically and economically, by a closely interlocked network of individuals and institutions closely tied to Moscow. The average Iowa

citizen, the farmer and manufacturing worker who has been devastated by the collapse of the state's agricultural and industrial sector, is being told by this treacherous gang that he must look to the Soviet Union for his economic and political future.

Exemplary is the case of John Chrystal, arguably the most important, and certainly the most public, link in the Soviet-Iowa connection. Chrystal inherited an intimate relationship with the Soviet leadership from his uncle, Roswell Garst, the Coon Rapids farmer who hosted Nikita Khrushchov during the Soviet general secretary's celebrated visit to Iowa in 1959. (More on Garst below.) Chrystal made his first trip to Russia in 1960, and has been back numerous times since, most recently in June, when he discussed the U.S. presidential elections, among other topics, with Gorbachov.

Chrystal took over the Garst family bank in 1960, and parlayed that into a controlling interest over several of the state's key banking institutions. He currently serves as chairman and chief executive officer of Bankers Trust Co. in Des Moines, and has been state banking superintendent and president of the Iowa Bankers Association. Chrystal wields significant influence over the state Democratic Party. He is close to former Democratic National Committee chairman Charles Manatt, an Iowa native who has been buying up bankrupt farms in his home state, and to Arthur Davis, who chaired the state Democratic Party until early this year. The Davis-Chrystal relationship goes way back: Davis used to serve as Roswell Garst's attorney.

(Not unexpectedly, Chrystal's minions have tried to destroy the presidential campaign of Lyndon LaRouche: Organizers for LaRouche's effort in Iowa have come under police harassment and threats of prosecution by the state attorney-general, a protégé of Davis. Davis recently boasted that he singlehandedly sabotaged the 1986 Senate campaign of Juan Cortez, a state labor leader who ran as a LaRouche Democrat.)

Chrystal flaunts his pro-Soviet affections: He used to have a poster of Lenin hanging on his office wall, and insists that if the United States would give up its provocations and allow unfettered trade between East and West, peace would prevail.

How did Iowa end up with such leaders? The single most

important culprit is the international grain cartel, one of the most important elements in the conglomeration of Eastern and Western oligarchical interests known as "The Trust." The Soviet decision to make Stavropol, rather than one of the other four or five possibilities, Iowa's sister state, is an ironic indication of the grain cartel's ubiquitous presence. Not only is it the area from which Mikhail Gorbachov, along with his patron, the late Yuri Andropov, hails. But, as a forthcoming *EIR* book on the roots of Russia's current regime documents, Stavropol was developed by the Venetian oligarchy, in conjunction with the port city of Odessa, as a major outpost of Venice's worldwide grain trade, and thus emerged as the home base for the Russian wing of The Trust.

Iowa (along with Minnesota, another hotbed of pro-Soviet operations) has historically been dominated by this Venetian-Swiss-based grain cartel: Cargill has been a major force in the state's economy for decades, as have Quaker Oats and other cartel organizations. More recently, Armand Hammer, the godfather of The Trust, has moved into the state in a big way, with Occidental Petroleum's purchase of Iowa Beef Processors several years ago. Archer-Daniels-Midland, the huge conglomerate run by former Cargill vice president Dwayne Andreas, also has extensive operations in Iowa.

By virtue of its economic muscle, the cartel wields near-total control over the state's political life. Its tremendous influence can be seen in Iowa's ultra-liberal congressional delegation. Senator Harkin, a Democrat, and Rep. Jim Leach, a Republican, are among the most vicious opponents of the U.S. military in general, and of such key defense systems as the SDI and MX missile in particular. Even the state's "conservatives" fall into line, as exemplified by Sen. Charles Grassley, a staunch proponent of defense cuts.

The cartel exerts its influence through both political parties, the media, the state's educational and religious institutions, and farm organizations. What follows is just a small sampling of some of the more important individuals and entities involved:

- **The Iowa Peace Institute:** This recently established organization serves as the principal coordinator of the Iowa-Soviet link. It has the full backing of Governor Branstad, as well as the state's Republican and Democratic party leadership. The state legislature recently appropriated a hefty sum for the institute's operating expenses, and corporate donors, including Andreas's ADM and the Maytag Corporation, just kicked in \$1 million.

The institute's director is Robert Ray, Iowa's Republican governor for 16 years; Robert Anderson, Iowa's former Democratic lieutenant-governor, serves as co-director. The board of directors includes such influentials as John Chrystal; Richard Stanley, head of the Stanley Foundation; Mary Louise Smith, former co-chair of the Republican National Committee; Thomas Urban, chairman of the board of Pioneer Hi-Bred International, a seed company founded by Henry Wal-

lace (see below); James Gannon, editor of Iowa's major newspaper, the *Des Moines Register*, and a recent, enthusiastic visitor to the Soviet Union; state senators Bob Carr and Jean Lloyd-Jones; Thurman Gaskill, past president of the National Cornrowers Association; and Douglas Gross, executive assistant to Governor Branstad.

The institute has mapped out an ambitious program to spread pro-Soviet propaganda throughout the state, including developing a "peace" curriculum for schools and colleges, and "public interest" forums on such issues as "arms-control verification." The institute plans to hold a major presidential campaign event in October, featuring Harvard Negotiation Project director Roger Fisher, who will lecture the candidates on the art of crisis-management. The institute has already sponsored several Soviet guest speakers.

The group is also co-sponsoring a World Agriculture Exposition in Iowa in September 1988. The event is expected to draw over 200,000 attendees from the United States, international organizations (the World Bank and International Monetary Fund), Third World countries, and a hefty Russian contingent. Its purpose will be expanding East-West trade. Advance publicity says the expo's purpose is "to promote international understanding, fellowship, and peace, through hospitality, sharing of cultural heritage and focus on the role of international development and agriculture in promoting peace."

- **The Iowa Sister City Commission:** The group responsible for Iowa's new arrangement with Stavropol, the commission is ostensibly headed by Iowa stockbroker Sarah Lande, but the real power behind it is former Governor Robert Ray and John Chrystal. Chrystal was instrumental in finalizing the sister-state relationship when he met with Gorbachov in June. Lande and other members of the commission plan to travel to the Soviet Union later this year, as part of an extensive "citizens exchange program" worked out by Jimmy Carter and Gorbachov last year. The program is being carried out under the aegis of the Friendship Force, a "one-worldist" organization headed by Bob Ray. In addition to Lande and Ray, the Iowa delegation will include Governor Branstad and state senator Jean Lloyd-Jones.

- **Stanley Foundation:** Based in Muscatine, the foundation was established in the 1950s by Iowa businessman C. Maxwell Stanley. Stanley was extremely active in the World Federalist Movement in the 1940s, and served as head of the organization for a time. He set up the Stanley Foundation in order to further the world federalist vision of a one-world empire, with special emphasis on U.S.-Soviet relations. The foundation sponsors frequent off-the-record foreign policy conferences which are focused on increasing the power of the United Nations, and bringing about a convergence between the United States and Soviet Union. The foundation also holds an annual "Strategy for Peace" conference in October. Last year's was devoted almost entirely to exploring prospects for U.S.-Soviet "economic interdependence." The

current head of the foundation, Richard Stanley, sits on the board of the Iowa Peace Institute, and collaborates frequently with John Chrystal.

- **Business for Peace:** This organization, which is just getting off the ground, is another brainchild of John Chrystal. Organized by Des Moines businessman Fred Weitz, the group will bring together Iowa companies to promote unilateral disarmament (the price of doing business with the Soviet Union).

- **Prairie Fire:** This and related “grassroots” farm or-

Remember Nikita Khrushchov's descent upon that farm in Coon Rapids, Iowa, in 1959? That was a high point toward achieving what is now a political stranglehold by pro-Soviet operatives of the grain cartel.

ganizations are part of the cartel's attempts to channel farmers angry at the destruction of Iowa's agricultural sector, into such populist causes as taking money from the defense budget to pay for farm programs, or protesting “neo-Nazism.” They are largely run by an unholy alliance between such groups as the Benedictines and the Anti-Defamation League. Two of the most important figures in the operation include the Institute for Policy Studies-linked Dan Levitas of Prairie Fire, an ADL functionary, and Merle Hansen of the North American Farm Alliance. Hansen, Jesse Jackson's campaign farm adviser in 1984, has frequently met with Soviet officials, and traveled to Nicaragua several years ago to demonstrate solidarity with the Sandinista regime.

The roots of Iowa's pro-Sovietism

As Iowa Peace Institute's Bob Anderson recently noted, Iowa “is somewhat unique, in that our relationship with the Soviet Union goes back decades.” Anderson was referring to two figures who played key roles in establishing the Russia-Iowa link: Henry Wallace and Roswell Garst. Wallace, FDR's agriculture secretary, came from an important Iowa agriculture family, with close ties to the grain cartel. During the 1920s, Wallace became a devotee of Nikolai Roerich, a Russian mystic who founded the Russian branch of the Theosophical Society in 1908. Roerich emigrated to the West after the Russian Revolution, but maintained close ties with Russian “Old Believer” networks, and returned to the Motherland several times before his death.

Wallace shared many of Roerich's mystical, theosophical

beliefs, which included a primitive “blood and soil” cultism characteristic of Russian culture. Wallace used his Cabinet position to promote Roerich's notions, frequently calling upon Americans to reject what he called “pagan nationalism,” and urging a new, all-encompassing world religion that would usher in a “golden age.” Wallace wrote a series of letters to Roerich, whom he addressed as “Guru.” The letters contained allusions to “Dark Ones,” “Steadfast Ones,” and “dugpas,” and beseeched the blessings of the “Great Ones.”

Wallace's mysticism soon turned to idolization of the Russian “experiment.” His pro-Sovietism became so embarrassing, that FDR was forced to dump him as vice president in 1944, in favor of Harry Truman. Wallace continued as commerce secretary, but clashed continuously with Truman, after the latter became President, over policy toward Moscow. The final break came when Wallace delivered a speech to a pro-Russian crowd in New York, in which he castigated the U.S. “hard line” toward Moscow, defended Russia's subjugation of Eastern Europe, and called for unfettered assistance to the Soviet economy.

In 1948, Wallace agreed to become the presidential candidate of the Progressive Party, and received the endorsement of the American Communist Party. He used his campaign to assail the Truman Doctrine and the Marshall Plan; to propagandize for the cause of world federalism; and to blame the February 1948 Moscow-backed coup in Czechoslovakia on Truman's “intransigence” against the Soviet Union.

During the 1950s, Wallace's pro-Soviet campaign was taken up by his longtime friend and business associate, Roswell Garst. Garst was an Iowa farmer who made a bundle by selling the hybrid seed corn which Wallace had developed in the 1920s. In 1946 he began preaching the virtues of selling American agricultural products to Russia. His efforts began to pay off in 1955, with Nikita Khrushchov's accession to power. Khrushchov wanted to increase Soviet agricultural output, especially corn, and wanted to get his hands on American hybrid corn strains.

Garst was happy to accommodate: When Russia sent an agricultural delegation to the United States, Garst met with them to propose that Russia buy his hybrid corn. That began a long relationship between Garst and Khrushchov (and other Soviet officials, after Khrushchov's fall), during which Garst traveled numerous times to Russia, hosted many Soviet delegations to the United States, and concluded a number of lucrative corn sales to the Soviets. The high point came in 1959, when Khrushchov himself descended upon the Garst farm in Coon Rapids.

The Soviets gained incalculable benefits from this operation: Not only were they able to significantly increase their corn output; through Garst's efforts, the idea that peace could be achieved by feeding the Russian Army became firmly established.

Garst died in 1977, but the Mother Russia cult he and Wallace established continues to flourish in Iowa—to the detriment of the national security.