

In Case You Missed...

Some of our special stories in July focused on the ongoing crisis in Ukraine (especially the shoot-down of Malaysia Airlines Flight 17), the Israeli war on Gaza, and the real history of Thomas Jefferson.

["The Risk of a Ukraine Bloodbath"](#) by Ray McGovern, July 2, 2014

["Itching for a Genocide"](#) by Robert Parry, July 3, 2014

["Thomas Jefferson: America's Founding Sociopath"](#) by Robert Parry, July 4, 2014

["An Insider's View of Nixon's 'Treason'"](#) by Robert Parry, July 5, 2014

["NYT Dishes More Ukraine Propaganda"](#) by Robert Parry, July 6, 2014

["Escalating Domestic Warfare"](#) by Brian J. Trautman, July 8, 2014

["Plunging toward Armageddon in Israel"](#) by William R. Polk, July 9, 2014

["NYT Protects the Fogh Machine"](#) by Robert Parry, July 9, 2014

["The US Persecution of Sami al-Arian"](#) by Lawrence Davidson, July 10, 2014

["The Brutal Failure of Zionism"](#) by John V. Whitbeck, July 11, 2014

["No Lessons Learned at the NYT"](#) by Robert Parry, July 11, 2014

["The Back Story of 'Citizen Koch'"](#) by Jim DiEugenio, July 14, 2014

["The Human Price of Neocon Havoc"](#) by Robert Parry, July 17, 2014

["What Is Israel's End Game in Gaza?"](#) by Dennis Kucinich, July 18, 2014

["Facts Needed on Malaysian Plane Shoot-down"](#) by Ray McGovern, July 18, 2014

["Airline Horror Spurs New Rush to Judgment"](#) by Robert Parry, July 19, 2014

["What Did Spy Satellites See in Ukraine?"](#) by Robert Parry, July 20, 2014

["Kerry's Latest Reckless Rush to Judgment"](#) by Robert Parry, July 21, 2014

["Kerry's Poor Record for Veracity"](#) by Ray McGovern, July 22, 2014

["The Kurds Eye Long-Desired State"](#) by Andres Cala, July 22, 2014

["The Mystery of a Ukrainian Army 'Defector'"](#) by Robert Parry, July 22, 2014

["Hiding War Crimes Behind a Question"](#) by Daniel C. Maguire, July 24, 2014

["US Complicity in Israeli War Crimes"](#) by Paul Findley, July 25, 2014

["Blaming Russia as Flat Fact"](#) by Robert Parry, July 27, 2014

["Obama Should Release Ukraine Evidence"](#) by Veteran Intelligence Professionals for Sanity, July 29, 2014

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In Case You Missed...

Some of our special stories in June examined America's income inequality, assessed the significance of Edward Snowden's leaks and explained who was at fault for the new extremist offensive in Iraq.

["Colombia's Choice: Peace or War"](#) by Andres Cala, June 1, 2014

["Picketty's Exploration of Modern Capital"](#) by Jim DiEugenio, June 3, 2014

["The Real Villains of the Bergdahl Tale"](#) by Ray McGovern, June 4, 2014

["The Only Standards Are Double Standards"](#) by Robert Parry, June 4, 2014

["Hillary Clinton's Hawkish Legacy"](#) by JP Sottile, June 5, 2014

["Tracing the Source of Income Inequality"](#) by Jim DiEugenio, June 6, 2014

["How Snowden Changed the World"](#) by Annie Machon, June 6, 2014

["Leaving the USS Liberty Crew Behind"](#) by Ray McGovern, June 8, 2014

["An Ignored Pre-9/11 Warning on Spying"](#) by Arjen Kamphuis, June 10, 2014

["Blaming Obama for Iraq's Chaos"](#) by Robert Parry, June 11, 2014

["How NSA Can Secretly Aid Criminal Cases"](#) by Ray McGovern, June 12, 2014

["Why Take the Neocons Seriously"](#) by Robert Parry, June 15, 2014

["Learning No Lessons About War"](#) by William R. Polk, June 16, 2014

["Treating Snowden as a Personality"](#) by William R. Polk, June 17, 2014

["Obama at a Crossroad of War or Peace"](#) by Robert Parry, June 18, 2014

["Reviving the 'Successful Surge' Myth"](#) by Robert Parry, June 19, 2014

["Iraqis Are Not Abstractions"](#) by Ray McGovern, June 21, 2014

["Obama's True Foreign Policy 'Weakness'"](#) by Robert Parry, June 23, 2014

["America's Blunderbuss Wars"](#) by William R. Polk, June 24, 2014

["NYT Revamps Its False Ukraine Narrative"](#) by Robert Parry, June 26, 2014

["Europe's Generational Change"](#) by Andres Cala, June 27, 2014

["Who Violated Ukraine's Sovereignty?"](#) by Ray McGovern, June 28, 2014

["Understanding Islamic Fundamentalism"](#) by William R. Polk, June 29, 2104

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The Back Story of 'Citizen Koch'

Exclusive: The documentary, "Citizen Koch," was deemed unfit for PBS as the network sidles up to David Koch's wealth, but the film's weakness actually is that it doesn't focus enough on how the Koch brothers have corrupted the U.S. political process, writes Jim DiEugenio.

By Jim DiEugenio

One probably has to go back to John Rockefeller Sr. and John Rockefeller Jr. to find two blood relatives as despised for their political activities as Charles and David Koch.

There has been much political reporting, at least two books, a previous Robert Greenwald film, and now a new film, *Citizen Koch*, on the subject of the Koch brothers. But before reviewing this new film, there is a story to tell as to why

Citizen Koch is playing in theaters and not on tel



In 2012, documentary filmmaker Alex Gibney produced a film for PBS titled *Park Avenue: Money, Power and the American Dream* about the growing inequity of wealth in America. It compared the occupants of the posh address of 740 Park Avenue in Manhattan with those at the other end of the street, those who lived in the Bronx.

One of the residents of 740 Park Avenue is David Koch, who along with his brother Charles, had made all kinds of contributions to the arts, including \$23 million to public television. In 1997, David Koch was even appointed as a trustee of both WGBH, Boston's public broadcasting station, and WNET in New York, two PBS flagship stations since so much original programming comes from them.

As public funding for PBS has shrunk, the network also has had to rely more on gifts. Thus, before Gibney's documentary aired, the president of WNET in New York, Neal Shapiro, called David Koch to give him a heads-up about the program. He also offered Koch the opportunity to either appear on a roundtable after the show or to provide a written response. Koch provided a written response that was read on air after the program, even though Koch had only seen the trailer, not the entire film.

Gibney's film was partially produced with help from ITVS, a Bay Area television production house that is largely reliant on PBS for funding independent films. Shapiro felt he was blindsided by the content of *Park Avenue*, so much so that he threatened not to air any more productions from that production source.

Shortly after the controversy over *Park Avenue* died down, veteran documentary producers Tia Lessin and Carl Deal announced that their new film about the power of wealth over politics had been accepted at the Sundance Film Festival and would compete for Best Documentary.

Citizen Corp

The film was originally titled *Citizen Corp*, since it partly centered on the

U.S. Supreme Court's *Citizens United* decision. But as the film's focus shifted more toward the recall effort against Republican Gov. Scott Walker in Wisconsin, the filmmakers decided to change the title to *Citizen Koch*, since the Koch brothers had heavily backed Walker.

It was this switch, plus the reaction by Shapiro to the Gibney film, that eventually left Deal and Lessin out on the street. ITVS wanted the new title changed and the film to deal less with the Kochs. Even though Lessin and Deal cooperated with ITVS on editing the film, on April 15, 2013, they were notified they had been dropped by ITVS.

But even that was not enough for David Koch. A month later, he resigned from the board of WNET. (Jane Mayer, "A Word from our Sponsor," *The New Yorker*, May 27, 2013)

As the reader can see, it's fairly clear that ITVS and PBS succumbed to the worst kind of censorship: self-censorship. There was no overt act taken by David Koch provoking the pulling of either *Park Avenue* or *Citizen Koch* from PBS.

It was simply intimidation: the *threat* of Koch pulling his support from PBS, which, as Mayer notes, he did since David Koch was supposed to make a large seven-figure donation to WNET but as of today he has not done so. This is the kind of power the Koch brothers wield.

Yet, *Citizen Koch* does not really deal with the history of the Koch family and how its political power – derived from a fortune from owning the Wichita, Kansas-based Koch Industries, the second-largest privately owned U.S. company (after Cargill) – has spread into right-wing activism, media and U.S. elections.

But it is important to understand that family history in order to comprehend what America has become today; and the power that progressivism is up against. Although *Citizen Koch* touches on this in a few places, it devotes much more time to the Wisconsin recall.

In my view, the filmmakers would have been better advised if they had spent more time on the Koch clan because it is not possible to comprehend the siege mentality America is under unless we do.

The Koch Back Story

Fred Koch, father of David and Charles, was born in Quannah, Texas, in 1900. Educated in public schools, he attended Rice University. While there, he discovered he had a natural talent for both science and mathematics. Since Rice was in Houston, he also became interested in the booming oil business.

He furthered his education at MIT. After completing his studies, he became a consultant for a couple of oil companies. But he got his first big assignment through a man he met at MIT, Carl de Ganahl, who arranged a job for Koch engineering an oil port in the Soviet Union for communist dictator Josef Stalin.

Fred Koch then bought a part interest in a new company based in Wichita, Kansas. In the 1930s, Koch's company trained Bolshevik engineers who helped Stalin set up 15 new refineries. When Stalin purged some of Koch's former Soviet acquaintances, Koch felt betrayed and returned to the U.S. and to his company, Rock Island Oil and Refining in Wichita. (Jane Mayer, "Covert Operations," *The New Yorker*, Aug. 10, 2010)

Perhaps as a reaction to his experience with Stalin, Fred Koch became one of the original members of the far-right John Birch Society. In fact, he was on the Executive Committee which met monthly to plan Birch Society strategy. In 1961, Fred Koch sponsored a major Birch Society event in Wichita, introducing the founder of that group, Robert Welch, to a town hall meeting of 2,000 people.

To understand today's Koch brothers and why they now say President Barack Obama is a socialist it's necessary to recall just how reactionary the John Birch Society was. Some Birchers thought that Republican President Dwight Eisenhower was a communist agent.

Echoing this nonsense, Koch self-published a pamphlet which said, "Communists have infiltrated both the Democrat and Republican parties." Koch also wrote about the nascent civil rights movement: "The colored man looms large in the Communist plan to take over America."

Continuing in this vein, he said that welfare was a plot to draw black Americans into cities where they would foment a race war and that communists would infiltrate the highest government offices until the president was secretly a Red.

Hating Government

As David Koch once told author Brian Doherty, his father was always telling the boys about what was wrong with government. Speaking with Doherty who was writing a history of the Libertarian movement, which the Kochs helped sponsor, David Koch continued, "It's something I grew up with, a fundamental view that big government was bad, and imposition of government controls on our lives and economic fortunes was not good."

As a member of the extended family noted to author Daniel Schulman, "This was not a lovey-dovey family. This was a family where the father was consumed by his own ambitions. . . . The boys had each other, but they were so busy in pursuit

of their fathers' approval that they never noticed what they could do for each other." The relative continued, "Everything goes back to their childhood. Everything goes back to the love they didn't get." (Dan Schulman, *Mother Jones*, May 20, 2014)

Strongly influenced by his father, Charles Koch also joined the Birchers and helped stock the Bircher bookstore in Wichita, which sold a pamphlet saying that President John Kennedy's intervention at Ole Miss to allow James Meredith to attend classes was unlawful. Charles also bought advertising in their magazine *American Opinion* and helped support the distribution of right-wing radio shows.

Charles gave speeches, too, in which he stated that the only proper role for government was to prevent interference with the free market. And in an echo of the Koch actions today, in 1966, the Birch Society advocated a \$12 million war chest to take over Congress through launching local political action committees in 325 districts. (*The Progressive*, July-August, 2014)

Today, Koch Industries has annual revenue of about \$115 billion and one of the Kochs' key organizations, Americans for Prosperity, has 37 state chapters, including a major office in Des Moines, Iowa, directly involved in seeking to control the Iowa caucuses, the first votes cast in the selection of a U.S. president. (*USA Today*, July 6, 2014)

Charles Koch did not leave the John Birch Society over a dispute with their ideas about race or domestic communist infiltration. He resigned in late 1968 because the Society advocated a push to win the war in Vietnam. Charles disagreed, wanting America to leave Vietnam because the war was too expensive and could eventually lead to wage-and-price controls as well as higher taxes to pay for it.

By the late 1960s, Charles Koch was among a group of high-level Birch members infatuated with Robert LeFevre, who created the Freedom School which touted the mystique of the Austrian School of Economics. From his fondness for LeFevre, Charles went on to become the sugar daddy of the Libertarian movement.

Building the Empire

Family patriarch Fred Koch died in 1967 at a time when his privately held energy company was reputed to be worth around \$650 million. The brothers took over the business, but it was Charles who really oversaw the day-to-day activities of the company.

In one of his first moves, Charles Koch acquired Great Northern Oil Company of Minnesota, a refinery that has access to a steady supply of Canadian crude. That refinery became a cash cow for the Kochs, allowing the company to grow into

natural gas, petrochemicals and pipelines.

The problem was that the Kochs' Canadian crude is drawn from the Alberta Tar Sands. Therefore, it carries with it a large amount of ditbit, i.e., diluted bitumen. When this kind of crude spills out of a pipeline, it does not float to the surface of water. It sinks. Therefore, it takes much longer to clean up a spill and it's much more expensive.

And here is where the Kochs' association with the Libertarian movement coincided with their own company's profit-and-loss ledger. Under the Clinton administration, the Justice Department filed two lawsuits against Koch Industries, claiming that the company was responsible for more than 300 oil spills, releasing roughly 3 million gallons of petroleum into rivers and lakes.

The Kochs could have been liable for a fine of up to \$240 million, but they settled for a \$30 million civil fine. In 1999, a jury also found the company liable in the deaths of two teenagers in an explosion from a leaky butane pipeline.

In the last year of the Clinton presidency, the Kochs were charged in a 97-count indictment for covering up the release of 91 tons of carcinogens from a refinery in Corpus Christi. This indictment not only aimed at a huge nine-figure fine, but four employees could have been put away in jail for years. The Justice Department settled for \$20 million. ("Covert Operations" by Jane Mayer, *The New Yorker*, Aug. 30, 2010)

Quite naturally, with this record, Charles and David Koch advocate against environmental regulations. They also contribute huge sums to groups critiquing the science behind global warming. According to some estimates, the brothers have contributed more money to the cause of denigrating that science than Exxon/Mobil, which is saying something.

The Rise of Libertarians

Seeking to build a movement that challenges government regulations, Charles and David Koch became major benefactors of the Libertarians, spending millions to fund the libertarian Cato Institute.

In 1980, David Koch also ran for Vice President on a Libertarian ticket headed by attorney Ed Clark. Some reports state that the Kochs spent about \$2 million on the 1980 campaign, boosting the Clark/Koch partnership to the highest percentage for a Libertarian ticket ever received.

The platform was considerably outside the mainstream, even to the right of Republican candidate Ronald Reagan, whom they attacked for representing "no

change whatsoever from Jimmy Carter and the Democrats.” (CNN.com, June 2, 2014, “The Truth about the Koch Agenda”.)

Their platform certainly was a change from President Carter’s. Clark and Koch wanted to abolish the FBI and CIA; as well as the Securities and Exchange Commission and the Department of Energy. They called Social Security “the most serious threat to the future stability of our society next to the threat of nuclear war.” They wanted to eliminate all minimum wage laws, while giving more tax breaks to the rich. They also wanted an end to gun control laws and the income tax. The two advocated the legalization of prostitution, recreational drugs and euthanasia.

To them, government was good for one thing: the protection of individual rights. Even William F. Buckley thought they were off the charts. But there was a method to the extremism. As Brian Woodhouse, an authority on the Kochs, has written, this 1980 platform was clearly an attempt to push the limits of political dialogue to the ideological right (albeit with some appealing messages toward those who feel the government has no business regulating personal morality). (ibid)

After 1980, the Kochs decided they personally would not seek political office. Instead, they would advance Libertarian ideas from behind the curtains. According to Doherty, the Kochs came to look at politicians as “actors playing out a script.” The Kochs would concentrate on writing the script’s themes and the words for these actor/politicians to speak. So the Kochs became prodigious contributors to political action committees, think tanks and organizations.

But one challenge in tracing the exact amounts of the power and influence that the Koch brothers wield is that they try to disguise the actual reach of their political organizations. Like the late Richard Mellon Scaife’s smear campaigns against Bill Clinton, the Kochs do not want the public to know that they are actually manufacturing and manipulating the supposedly spontaneous “grassroots” displays of opposition against, say, President Barack Obama’s healthcare reforms.

In fact, some observers think that the Kochs have dramatically refined the strategy of behind-the-scenes ideological financing that Scaife (who died on July 4) pioneered in the 1970s and 1980s.

Charles Lewis of the Center for Public Integrity has said, “The Kochs are on a whole different level. There’s no one else who has spent this much money. They have a pattern of lawbreaking, political manipulation and obfuscation. I’ve been in Washington since Watergate and I’ve never seen anything like it.”

In searching for the only parallel he could think of, Lewis cited the Rockefellers of the Gilded Age: "They are the Standard Oil of our times."

A Thought-Out Strategy

Charles Koch once said to author Doherty that bringing about a social and political change required a strategy that was vertically and horizontally integrated. Therefore, Koch's aim was to finance a movement for his radical agenda, starting with idea-creation and carrying it all the way through lobbying for political action. (Mayer, "Covert Operations")

Like Scaife and the Rockefellers, the Kochs do not want most people to know just what they are doing and how they are doing it, who is pulling the strings of whom. To attract average Americans, their movements must appear to be rising organically from the grassroots, not carefully cultivated in a greenhouse owned by rich men trying to get richer.

For instance, the Kochs and their representatives first denied they had anything to do with the nascent Tea Party movement and its virulent opposition to President Obama's aid to homeowners facing foreclosures after the financial crash of 2008 (the original Tea Party issue).

As White House adviser David Axelrod has noted about the Tea Party, "What they don't say is that, in part, this is a grassroots citizens' movement brought to you by a bunch of oil billionaires." As a Republican campaign strategist said to journalist Jane Mayer, the Koch brothers contributed the money that founded the Tea Party: "It's like they put the seeds in the ground."

Rob Stein, a Democratic adviser, filled in the portrait even more fully. He said the Kochs are "at the epicenter of the anti-Obama movement. But it's not just about Obama. They would have done the same to Hillary Clinton. . . . They are out to destroy progressivism."

About the last, there can be little doubt. The Kochs have targeted some of the most important progressive reforms in modern U.S. history, from the minimum wage to expanded voting rights to alternative energy to union organizing. In *Rolling Stone*, Elizabeth Garber-Paul wrote that the Kochs are pursuing these goals with an almost messianic zeal.

In their campaign against the minimum wage, the Kochs have donated over \$23 million to fund over 4,000 articles, papers, studies, and media presentations. As Sen. Bernie Sanders, I-Vermont, has said, "They want to abolish the *concept* of the minimum wage."

The Kochs are also pushing voter ID laws, sponsoring such bills in 41 states. If

all these restrictions passed, about 21 million legal voters would be denied the right to vote and clearly the Kochs believe that the vast majority of those excluded voters would be inclined to vote Democrat.

Third, the Kochs want to employ the government's taxing power to discourage the use of solar power. Obviously, such a move would benefit their industry of extracting and refining hydrocarbons. Koch-supported groups are also in the forefront of raising doubts about the reality of human-created global warming.

Finally, the Kochs want to break the power of unions. Or as Scott Hagerstrom, the Michigan director of Americans for Prosperity, said to Garber-Paul, "Really, what we would like to see is to take unions out at the knees, so they don't have the resources to fight."

In this, the Kochs work closely with the American Legislative Exchange Council. ALEC has drafted laws to slash collective bargaining rights for workers in 36 states. As Randi Weingarten, president of the American Federation of Teachers, has said the Kochs "do not want workers to be able to negotiate wages and benefits."

Strengthening Wealth

Obviously, if you eliminate the minimum wage and then break the power of unions, workers are at the mercy of corporations. The rising disparity of wealth that Thomas Piketty talked about in his book *Capital in the 21st Century* would be accelerated into fourth gear. [See Consortiumnews.com's "[Piketty's Exploration of Modern Capital](#)."]]

It would mean the triumph of the economists that Charles Koch so admired, Von Mises, Hayek and the Libertarian Murray Rothbard. Combined with the attempt to deprive voters of their legal right to vote, the Koch agenda amounts to a subtle and sophisticated form of fascism.

Citizen Koch's original title, *Citizen Corp*, was derived from the Supreme Court's 2010 *Citizens United* ruling which cleared the way for corporations and the rich to pour nearly unlimited sums into the U.S. political process. But producers Deal and Lessin did not think that title was very poetic. *Citizen Koch* obviously echoes the classic movie about wealth and power, Orson Welles's *Citizen Kane*.

But this decision on the title leads to a problem that I have with the film. Although it's called *Citizen Koch*, there really is not that much time devoted to the matters that I have outlined above, which are integral to understanding who these men are and what they are up to.

In fact, I would say that Charles and David Koch appear for about five minutes of screen time. The primary focus of the film is not even the *Citizens United* decision. It is really the tale of Wisconsin Gov. Scott Walker taking away collective bargaining rights from public unions and the subsequent recall election against him.

Another key topic of the film is more of a human interest story about Republicans who are repelled by Walker's attempt to weaken public unions. The filmmakers give a lot of time to former Louisiana Gov. Buddy Roemer, a more traditional, Teddy Roosevelt/Dwight Eisenhower-type Republican who the Kochs would never back.

Roemer ran an appealing yet, because he was under-financed and got little media exposure, a quixotic campaign for the Republican presidential nomination. He could not even get into the debates. This side story underscored how under the influence of the Kochs and *Citizens United* the Republican Party has gone to the extremes.

In other words, there are at least four chief subjects in the film, any of which could probably fill up 90 minutes of storytelling. But to put them all into one documentary makes an unwieldy film with a confusing dramatic focus.

Further, the subject that the filmmakers chose to give the most screen time to, the battle in Wisconsin between Walker and the unions, is the one subject that has already been given reams of coverage in the media. And for the most part, this film simply repeats the coverage that most of us have already seen, although there is one precious moment when, on camera, Walker walks into a big donor meeting and admits his objective is to divide and conquer the Democrats.

Focused on Wisconsin

The film begins with a 2011 Tea Party rally in Wisconsin sponsored by the Koch-financed Americans for Prosperity. The rally featured Sarah Palin and was part of Gov. Walker's successful defense in the 2012 recall. The film then flashes back to the 2010 *Citizens United* decision that removed limits on the amount of money corporations could use to directly influence campaigns.

There are at least a couple of good insights in this section. First, to overturn precedent, as this case did, usually there has to be some kind of change in circumstances for the Supreme Court to hear the case. As the film noted, the only change was in the make-up of the Roberts Court. Justice Sandra Day O'Connor had stepped down and President George W. Bush had appointed Samuel Alito to fill her position. And Alito could be counted on to side with the advocacy group *Citizens United*, headed by longtime GOP operative David Bossie.

Second, as Justice John Paul Stevens noted in his searing dissent, “the majority had changed the case to give themselves an opportunity to change the law.” Originally, the case was argued over the issues of whether or not Bossie’s film, *Hillary: The Movie*, could be broadcast around the time of a primary election and whether or not the disclosure laws on the financing of the film were legal.

When the case went to the Supreme Court, in a quite unusual move, it was argued twice because the justice who wrote the majority decision, Anthony Kennedy, decided to broaden the scope of his decision to include First Amendment rights concerning political speech. The film leaves open the question of whether this was all planned in advance.

The decision opened the gates for an incredible amount of corporate and other money to enter into the political arena. In the recall and subsequent reelection effort, Walker raised over \$30 million. Most of the rest of the film stays focused on the recall effort with one major exception.

The film interviews a reporter who has covered one of the Koch brothers’ private political retreats. These are semi-annual, highly secretive events in which the brothers summon politicians, donors and activists to discuss the Kochs’ agenda and devise ways to implement it.

These get-togethers are not just gab fests. They set precise goals and arrange the necessary funding. They are also ongoing. For instance, in June, the Kochs rented out the St. Regis Monarch Bay Resort in Dana Point, California, for \$870,000. Among the political luminaries invited were Senators Mitch McConnell, the top Republican in the Senate, and Marco Rubio, considered a top prospect for the GOP presidential nomination in 2016.

According to reporter Lauren Windsor, there were 300 people who were all worth at least a billion dollars in attendance, such as Amway co-founder Richard DeVos. The goal was to raise \$500 million so the Republicans could retake the Senate and another \$500 million to make sure Hillary Clinton never becomes president.

These numbers are not at all unrealistic. An analysis done by the Washington Post discovered that the Koch network raised an estimated \$407 million in the 2012 presidential election. (*The Nation*, June 17, 2014)

Revising History

Others in attendance were conservative-backed writers like Amity Shales, author of *The Forgotten Man*, and Charles Murray, who wrote *The Bell Curve*. In her book, Shales makes the revisionist argument that President Franklin Roosevelt’s New Deal did not succeed in getting people back to work during the Great Depression

a preemptive strike against President Obama's jobs plans for combating high unemployment during the Great Recession.

Murray's *The Bell Curve* argued that African-Americans were genetically and environmentally doomed to have lower intelligence quotients than whites. These are kinds of cultural ideas that the Kochs feel comfortable with, which shows that the residue of their John Birch legacy remains.

As filmmaker Robert Greenwald has said, the Kochs are really cowards at heart. They hold these conclaves in secret and they hide the true extent of their influence. David Koch would not even appear in person to debate Alex Gibney about his *Park Avenue* film.

Greenwald made a previous film about the Koch brothers, which he revised in 2014. His intent was to try and get them to emerge from their semi-secrecy in order to debate the merits of their ideas in public, to see if their ideas were really what the mass of Americans wanted. Needless to say, Greenwald was disappointed when the Kochs refused to engage him in open debate.

What the Koch brothers are doing should be of prime interest to all Americans. By trying to break unions, they are not just weakening the economic well-being and political rights of middle-class Americans. They are attempting to dominate the political discussion because unions have been one of the few institutions that have promoted a more progressive agenda.

Since as the five Republicans on the Supreme Court believe "money is speech," the progressive point of view can be silenced by drying up the money on that side of the debate.

Before the Kochs, and their agents like Gov. Walker, are allowed to change our political culture essentially returning it to the Gilded Age when the rich regularly bought politicians and had the government's police power turned against labor organizers should there not at least be a debate?

Americans were only allowed to legalize labor unions after a protracted and often bloody struggle. Does the country really want to go back to those days?

For instance, in 1913-14, the United Mine Workers tried to unionize southern Colorado, an area owned and operated by the Rockefeller family then led by John Rockefeller Jr. In public, Rockefeller came off as being a pleasant and reasonable man of privilege. But in private he was adamant about not letting his workers create a union.

When thousands of his mine workers went out on strike, Rockefeller, like the Kochs, decided to work behind the scenes to control things, essentially pulling

the strings of the governor of the state. When the strikers wouldn't give in, the National Guard was deployed and violence erupted culminating in the infamous Ludlow Massacre.

On June 20, 1914, the National Guard being paid with Rockefeller money fired into the miners' tent colony killing some two dozen people. The incident was so appalling, that the miners retaliated, going on a rampage destroying mining sites and clashing with guardsmen. Estimates of the final death toll range between 69 and 199 people. To restore order and prevent a civil war in Colorado, President Woodrow Wilson had to send in the army. This is how the earlier Captains of Industry treated the Common Man.

After the tragedy, the federal government began to protect workers' right to organize into unions, a cause particularly advanced during Franklin Roosevelt's New Deal, the target of so much scorn from Amity Shales and other allies of the Koch brothers. The Koch brothers also want to roll the clock back on civil rights, voting rights and other reforms that patriarch Fred Koch so disdained.

If *Citizen Koch* had drawn this historical parallel, it would have made for a more powerful film. What the documentarians ended up with is much better than the average of what we see today, but a more focused documentary would have been more compelling.

Jim DiEugenio is a researcher and writer on the assassination of President John F. Kennedy and other mysteries of that era. His most recent book is [Reclaiming Parkland](#).

Tracing the Source of Income Inequality

Exclusive: Economist Thomas Piketty traces the explosion of income inequality in America to political decisions, especially the right-wing policies of Ronald Reagan who simultaneously slashed taxes for the rich and decried government intervention in the economy, writes Jim DiEugenio.

By Jim DiEugenio

The second half of Thomas Piketty's provocative book, *Capital in the 21st Century*, addresses the structure and causes of economic inequality as he lays out recommendations for how to deal with what he sees as this pervasive and long-ignored problem. [For Part One of this review, [click here](#).]

In this context, Piketty's focus shifts to a detailed examination of income

inequality in the United States, the combination of capital and earnings. He notes that at the end of the Nineteenth Century, American income distribution was more equitable than in Europe, in part, because the U.S. had fewer rentiers – landowners renting land to small farmers – and they were not as wealthy as those in Europe.

Then, despite the ups and downs of the Roaring Twenties, the Depression-era Thirties and World War II of the Forties, the trend by the middle of the century was toward a more equitable America. From 1950 to 1980, the level of inequality in America was at its lowest ebb in the century. Piketty noted that the top 10 percent owned about 30 to 35 percent of total wealth, a relatively modest amount. (p. 294)

American economist Paul Krugman refers to this “Ozzie and Harriet” era as “The America We Love,” a nostalgic time that has lodged in the American collective unconscious as the era of the Great American Middle Class when the combined impact of government policies from Franklin Roosevelt’s New Deal through Lyndon Johnson’s Great Society had combined to spread the national wealth more evenly.

But by the end of the century, the wealth of the top ten percent had zoomed upward to near 50 percent, surpassing Europe as the more economically unequal society. (p. 293) Indeed, since 1980, inequality of income skyrocketed in America as in no other country, a change attributable mostly to capital gains among the investment class along with “supply-side” and other tax cuts that followed Ronald Reagan’s rise to the presidency in 1981.

This run-up in wealth was aided by extensive stock speculation, including the Internet bubble, the real-estate bubble and the general rise in the stock market, a trend that reversed early in the Twenty-first Century when the bubbles popped and the financial markets in 2007-08 faced the worst crisis since the Great Depression.

But the crash only temporarily halted this march toward inequality. As Piketty’s chart reveals, after a dip in 2007-2008, there was a sharp rebound upward in divergence of income as government money and policies stabilized the financial markets but did little to help average Americans who faced high unemployment and a flood of home foreclosures destroying the net worth of many middle-class families. (See chart on page 292)

If this pattern of wealth disparity continues, Piketty predicts that the upper 10 percent will have about 60 percent of all income by 2030.

The Lucky 1 Percent

The author takes us further inside the numbers, showing that although the wealth

of all segments of the top 10 percent grew faster than the American economy, it was the top 1 percent that grew the most. Its share of national income rose from 9 percent in the 1970s to 20 percent in the new millennium, more than doubling. (p. 296)

And here, Piketty makes one of his cogent observations, pointing out that the peak point for U.S. concentration of wealth in the Twentieth Century was 1929, the year of the Great Crash. In the ensuing 85-year time span, the other highest point of concentration was in 2007. At both points, the system collapsed, wreaking havoc across the economy.

Piketty's point is that it appears that no economic system can sustain this level of imbalance and stay at equilibrium. These imbalances, with wealth overloaded at the very top, cause dangerous instability, just as the ballast from a broad middle class like the one during the "Ozzie and Harriet" era a half century earlier seems to keep a system relatively steady.

Prior to the 2007-08 crisis, there was a stagnation of purchasing power for the middle and working classes. This, in turn, caused them to take on debt, supplied by banks that had been freed from much of the regulation that had been imposed after the Great Crash of 1929. With banks doling out credit to risky borrowers, more volatility was injected into the financial system. (p. 297)

In his typically understated manner, Piketty writes: "If we consider the total growth of the U. S. economy in the thirty years prior to the crisis, that is, from 1977 to 2007, we find that the richest 10 percent appropriated three quarters of the growth. The richest 1 percent alone absorbed nearly 60 percent of the total increase in U.S. national income in this period. Hence for the bottom 90 percent, the rate of income growth was less than 0.5 percent per year." (p. 297)

Concerning the current U.S. economic structure, this might be the most powerful and damning paragraph in the book. Piketty adds, "It is hard to imagine an economy and society that can continue functioning indefinitely with such extreme divergence between social groups."

Indeed, the shocking ratio suggests that America is on the fast track to becoming a country of the rich, by the rich and for the rich assuming there is not another tumbling into a grave financial crisis.

Little for the Common Man

There are other troubling patterns in the U.S. economy, including the American trade imbalance, a constant drain on capital assets which get shifted overseas, much of it to the old Asian tiger, Japan, and also to the two new tigers, Korea

and China. But after recognizing this concern as justified, Piketty observes that it is only part of the problem as far as non-wealthy Americans are concerned. The transfer of wealth upward amounts to *four times* what the trade deficit is. (p. 298)

One can at least argue that average Americans get some inexpensive foreign goods from the huge trade deficit. But what do average Americans get from the upward transfer of wealth? Mostly a chance to ogle at the lavish lifestyles of the rich and famous via TV shows and movies.

Piketty next shifts to wage inequality and its role in this imbalance, particularly the staggering increase in wages and salaries at the very top in recent years, a marked contrast from the eras of World War II and the post-war years.

During World War II, wage imbalance was tempered by the National War Labor Board, which granted frequent raises to low-wage earners and, conversely, capped and controlled the salaries of top managers. This ethic had a carry-over effect into the 1950s when local owners of companies felt some personal shame if they took excessive levels of compensation while their workers struggled to pay the bills.

“During the 1950’s, wage inequality in the United States stabilized at a relatively low level, lower than in France,” Picketty noted. (p. 298) But the respite in wage inequality ended a couple of decades later when top executives often working at headquarters far removed from their plants started pushing the limits of what they could extract from their corporations. Since then, the earned income of the top 10 percent began to grow much more rapidly than the average wage.

Social Immobility

But this rise in the share of income claimed by the top 10 percent was not accompanied by any equal growth in upward social mobility. There was no perceptible increase in people rising from working the cash register to running the company.

In addition to the coming of the super manager class, another reason that wage inequality has increased in America is the ineffectiveness of the minimum wage at the other end of the scale. In terms of real purchasing power, the minimum wage peaked in 1969. At that time it was \$1.60 per hour. In today’s dollars it was worth \$10.10.

The minimum wage stagnated, especially under Presidents Ronald Reagan and George H.W. Bush and has been stuck at \$7.25 since 2009, meaning that it has lost more

than a quarter of its purchasing power since 1969 and is one-third below the minimum rate in France. (p. 309)

So, just as the wealthiest Americans were benefitting from Reagan's "supply-side" tax cuts, the bottom wage earners were left to fend for themselves. Along with other social changes, such as the decline of labor unions and advances in technology, the effect of the government's policy choices was to widen the gap between rich and poor.

As Piketty notes, the U.S. government had deftly used the minimum wage to raise the wage standard at the bottom end of the scale in the 1950s and 1960s, but it was largely abandoned as a policy tool since then. The 1970s and 1980s saw the rise of "free-market" fundamentalism with its advocates arguing that the minimum wage was a violation of their economic principles and a "job killer."

By contrast, in France, since 1980, the minimum wage has almost tripled. (See chart on page 309) Piketty argues that from 1980 to 2000, the U.S. minimum wage has fallen so badly that it could have been raised significantly with absolutely no loss to the employment rate. (p. 313)

All of this means that those in the top 1 percent in America have an income about 100 times as great as the national average. As a point of comparison, the transfusion of national wealth to the top in America has occurred at a rate five to seven times greater than in Japan. (p. 320)

One reason is that, unlike in Japan, after 1970, boards of directors were all too eager to give their officer candidates just about whatever they wanted in the form of remuneration. And as Piketty points out, seldom was this done on a cost-benefit ratio for the company or the stockholders. In retrospect, it was really more on a "pay for luck" rather than performance standard, he says. (p. 335)

Capital Ownership

But in addition to this sharp divergence in wage inequality is what Piketty calls the inequality of capital ownership. For instance, in France, after the French Revolution, the share of what the top ten percent owned steadily rose from 55 percent in 1800 to 60 percent in 1880 and slightly above that by 1913, on the eve of World War I. This distribution was even more concentrated in England, where the top 10 percent owned about 80 to 90 percent of wealth by 1910.

In Europe, the catastrophes from 1914 to 1945 shattered the status quo, to the point that these rates of concentrated wealth have not been duplicated there again. Another factor has been the skepticism about free enterprise which set in

after the Great Depression. Thus, Europe saw an expansion of both the middle class and the welfare state, encompassing about 50 percent of the population.

This new class also acquired a share of capital on its own, further preventing a dramatic resurgence of wealth to the top. (p. 347) Thus, as Piketty notes, of all the advanced countries, only the U.S. has a concentration of wealth that rivals Europe's at the turn of the century.

There is also the question of what would have happened if Europe had not plunged into the devastation of World War I, followed by the Great Depression and World War II. Could the politics of 1914 have restrained the rich from claiming an ever-larger share of the wealth?

Piketty notes that economic growth in wealth-stratified Europe with only a nominal middle class was extremely slow, less than 1 percent. But Piketty argues the concentration of capital will not decrease significantly unless the growth rate exceeds 1.5 to 2 percent.

Here, the author makes a significant point, that when the difference between the rates of return on capital versus rate of growth of the economy reaches a certain threshold, inequality of wealth will increase without limit, and the gap between the elites and the average worker will grow indefinitely. In other words, the wealth of the upper classes would have gone completely unchecked. (p. 366)

Democratic Intervention

Piketty then asks a question directly related to the one posed above: Why has the rate of concentration not returned to that of the fin de siècle era? First, because the shocks to the system from the first half of the Twentieth Century were very serious. Second, because after these shocks, to pay off huge state debts, taxations rates went up radically.

Before World War I, taxes on capital were almost non-existent, generally amounting to about 2 percent. After the war, because of the huge amount of debt that the combatants incurred, taxes began to rise dramatically. (p. 355) And since there was no significant middle class, wealthy classes were the only place one could tax with any real results.

From about 1914-1970, these taxes were generally progressive, that is, the richest paid a higher rate than the lower-, working- and middle-classes. But that progressivity has steadily declined amid successful lobbying by "free-market" forces that have poured huge sums of money into think tanks, media outlets and, in the U.S., political campaigns.

Today, Piketty estimates that the wealthy pay about a 30 percent rate on their declared assets and this rate is going down (not to mention the fact that many rich individuals hide their assets either through legal loopholes or in illegal tax shelters).

By letting the rich better shield their assets, including their opportunity to pass down the wealth to their heirs, governments have cut themselves off from much of the money needed to pay for domestic and other needs.

Traditionally, much of the wealth of the well-to-do has come from inheritance. In France in the 1800s, the top 10 percent of those with inherited wealth earned as much as 25-30 times as the average worker, while a skilled professional made about 10 times as much as the average worker.

That reality, Piketty notes, was observed by author Honore de Balzac in his classic novel, *Le Pere Goriot*. A criminal named Vautrin explains to a naive law student named Rastignac that the aspiring attorney would be better off marrying into wealth than working as an attorney.

In France in 1910, an astonishing 25 percent of all national income came from the flow of inheritances. Because of the Great Depression and other calamities, that declined significantly until 1950 when it stood at only 5 percent. (p. 397) But it has since risen to 15 percent in 2010 and Balzac's reality is steadily reasserting itself. The number of people who inherit the equivalent of a lifetime of wages has tripled since 1950.

So, because of these recurring imbalances in the system, the idea of a deservedly compensated meritocracy generally no longer applies.

U.S. Aristocracy

Turning to the United States, Piketty writes that the estate tax effectively applies to only about 2 percent of all estates. Plus, gifts money that living parents may pass on to their expectant heirs are very hard to track for tax purposes. (p. 422) Therefore, in America, inherited wealth constituted about 50-60 percent of the total stock of private capital from 1970-80.

The author concludes that "The global rebound of inherited wealth will no doubt be an important feature of the twenty-first century."

The next major topic that the book addresses is the global inequality of wealth. Piketty says that it appears that this imbalance is comparable to what existed in Europe at the end of the Nineteenth Century, which was comparable to France on the eve of the revolution in 1789.

Globally, the top centile the 1 percent category has about 50 percent of the total wealth and the top decile the richest 10 percent about 80 percent. The bottom half “undoubtedly owns less than 5 percent of total global wealth,” Piketty writes. (p. 438)

The richest 1 percent, about 45 million people, has about 3 million euros or about \$4 million, which is about 50 times the size of the average household nest egg, which is 60,000 euros or \$81,600. The top tenth of 1 percent, some 4.5 million people, have fortunes in the range of 10 million euros or about \$13.6 million, nearly 200 times the average wealth. (ibid)

These global disparities are much higher than the comparisons between rich and the rest in the major advanced countries because of the radical international inequalities, comparing First World wealth with poverty-stricken places like sub-Saharan Africa and Central America.

The Real Threat

Piketty dismisses some of the common fears about a future international economy dominated by Saudi Arabia or China through their sovereign wealth funds. The danger that Piketty foresees is the rampant epidemic of inequality. He writes:

“An oligarchic type of divergence, that is, a process in which the rich countries would come to be owned by their own billionaires or, more generally, in which all countries, including China and the petroleum exporters, would come to be owned more and more by the planet’s billionaires and multimillionaires. As I noted, this process is already well under way.” (p. 463)

He says this is even more dangerous because he sees the rate of growth slowing and the rate of return on capital increasing. If this is correct, then the other prognostication the book makes, about there being no real limit on the divergence between upper and lower classes, will also be correct. In other words, the embattled middle class will continue to shrink and wealth will be increasingly consolidated at the top.

If one includes fortunes both purely inherited and partially inherited, Piketty writes, “it seems fairly clear that inherited wealth accounts for more than half of the total amount of the largest fortunes worldwide.” He adds that a figure of 60-70 percent seems fairly accurate though the real number might actually be higher because of the sophisticated methods available for hiding wealth. (p. 443)

So, what to do? The question is addressed in the last part of the book, entitled “Regulating Capital in the Twenty-First Century.” His chief recommendation is a universal and progressive global tax on capital, which would also require

government to find where the capital actually is and who owns it. (p. 471)

Piketty draws a lesson from the Great Depression when President Franklin Roosevelt began to steadily and insistently raise taxes on the richest people in America. The top marginal rate went from 25 percent to eventually 80 percent. (p. 473) Roosevelt did this to finance his New Deal programs which greatly expanded the role of government in America by constructing a social welfare system.

As this system took shape, about half the money went to health and education. The other half went to transfer payments, e.g. welfare support, the GI Bill of Rights and various pension plans. During this time period, social mobility also increased in the United States. People from humble beginnings had a real shot at climbing the economic ladder.

However, since the Reagan era and the growing political hostility toward social programs accompanied by massive tax cuts for the rich the trends of the New Deal have been reversed. Today, along with the concentration of wealth at the top and stagnation below, U.S. social mobility is on the decline, falling behind European nations such as Sweden.

Unequal Education

Piketty argues that one main cause is the increased difficulty that lower-class and middle-class students have in getting into the elite colleges and universities which cost so much that they are again becoming bastions for the well-born. (p. 485)

The average income of the parents of a Harvard graduate is \$450,000 per year, or the top 2 percent of the nation. And that college degree credentials the Harvard graduate as someone who can expect to stay at the top of the income ladder. Much less social value is given to a degree from a state college or a lesser known institution.

Piketty points out that this stratification doesn't jibe with America's self-image as a land of opportunity with a system based on meritocracy. He writes, "Parents' income has become an almost perfect predictor of university access." (p. 485)

With the exception of England, this is not the case in Europe. A year's tuition in most public colleges amounts to about 500 euros or about \$680, so a family's financial status is less an obstacle to a young person getting a higher education than in the United States. There, the average in-state cost for a public university is nearly \$9,000 and over \$30,000 at private colleges (and even higher at elite schools).

The idea of equal access to higher education is part of the progressive ideal, along with the progressive income tax. However, in the United States, both concepts are dying.

Currently, Piketty says, capital is largely immune to a progressive tax and estates are much more lightly taxed than income. In fact, under constant political pressure from the elites, the estate tax has been stigmatized as the "death tax" and the top marginal tax rates on income have declined from over 80 percent to about 35 percent in the U.S. (p. 507)

Piketty writes that this reversal clearly owes to the coming to power in the United States of Ronald Reagan (and in Great Britain of Margaret Thatcher). Under Reagan, the top rate actually declined below 30 percent. This slashing of the tax rates does much to explain the increase in wealth to the top 10 percent from 1980 onward.

Prior to Reagan, the high marginal tax rates restrained top business executives from demanding huge salaries and stock options. After all, as much as 80 percent of their top tranches of income would go to Uncle Sam. But the slashed tax rates meant that senior executives could keep more of that money so there was a stronger incentive to press for big compensation packages.

What to Do

Piketty believes that in the advanced nations, tax rates should return to a top margin of 80 percent, a rate reserved for the top 1 percent. Otherwise, the super-rich will be in a position to increasingly buy the political process and override public calls for greater equality.

"The history of the progressive tax over the course of the twentieth century suggests that the risk of drift toward oligarchy is real and gives little reason for optimism about where the United States is headed," Piketty wrote. (p. 514)

The global tax he proposes is also a progressive one. It begins at 1 percent on income of 1-5 million euros. It goes to 2 percent on income above 5 million euros. (p. 517) But the main point of this tax is not so much to expand the social state but to regulate capitalism by accumulating more accurate and detailed information on wealth.

Beyond benefitting democracy, the data also might provide an early warning on fiscal crises, Piketty believes. His plan would also promote uniformity among nations in their banking regulations and therefore eliminate some of those infamous tax havens.

Piketty concludes with the concept of public debt, a problem facing all advanced

countries because of the 2007-08 crisis. One of the things the increased taxes on the wealthy could do is begin to eliminate that debt.

But his larger point is that if the public is to regain control of capitalism and the destabilizing extremes that it produces then the people must bet on democracy. (p. 573) He closes by saying that many more people need to take an interest in this growing worldwide inequality, from social scientists, journalists, commentators, union leaders and politicians of whatever stripe. He says:

“Citizens should take a serious interest in money, its measurements, the facts surrounding it, and its history. Those who have a lot of it never fail to defend their interests. Refusing to deal with numbers rarely serves the interest of the least well off.” (p. 577)

An honest academic has taken a stand. He has shown with a solid database how the unbridled capitalism unleashed by the likes of Thatcher and Reagan has ravaged our government treasuries and our democratic principles. The urgency of his work should sound like a fire alarm in the middle of the night.

Jim DiEugenio is a researcher and writer on the assassination of President John F. Kennedy and other mysteries of that era. His most recent book is [Reclaiming Parkland](#). [For Part One of DiEugenio’s review of Piketty’s book, [click here](#).]

Piketty’s Exploration of Modern Capital

Exclusive: Despite some predictable griping from the Right, Thomas Piketty’s *Capital in the 21st Century* has reinforced the case that Western societies and especially America are concentrating wealth at the very top and shortchanging almost everyone else, as Jim DiEugenio writes.

By Jim DiEugenio

Probably no economics book since Naomi Klein’s *The Shock Doctrine* has generated so much controversy or interest as French economist Thomas Piketty’s *Capital in the 21st Century*, with the debate extending downward into the general public.

At the restaurant where I was reading it, a man turned around and said, “Had to wait two weeks for it. I just got it three days ago. It really shows how the system is skewed against us.”

And that comment reveals the great appeal of the book because Piketty’s prime

interest as an economist, perhaps his obsessive interest, is the subject of the inequality in the distribution of wealth, i.e., "how the system is skewed against us." His book is, to my knowledge, the largest and most thorough compendium on the subject.

Piketty examines the subject from a comparative geographical angle, i.e. between regions of the world, and from an historical angle, that is, over the last two centuries. He examines the issue comparatively between nations and then projects the future of inequality.

Near the beginning of the book, the 43-year-old Piketty pointedly reveals why he undertook such an exhaustive study of this topic and why he felt such an examination was necessary. The author wrote his Ph. D. thesis on wealth redistribution while studying in England and France. He then taught in the United States for two years, but says he left America because he felt that the economists were overly concerned with mathematical theories and not enough about the search for empirical data to back those theories up. (See pgs. 31-32)

Because of this gap between statistics and theory, Piketty found his American colleagues' work unconvincing. Or as he puts it rather eloquently and forcefully: "The discipline of economics has yet to get over its childish passion for mathematics and for purely theoretical and often highly ideological speculation, at the expense of historical research and collaboration with other social sciences."

He continued, "The truth is that economics should never have sought to divorce itself from the other social sciences and can advance only in conjunction with them." He then hammers this point home in two sentences which actually express the overall theme of his book:

"If we are to progress in our understanding of the historical dynamics of the wealth distribution and the structure of social classes, we must obviously take a pragmatic approach and avail ourselves of the methods of historians, sociologists, and political scientists as well as economists. We must start with fundamental questions and try to answer them." (p. 33)

Piketty felt that American economists did not do this to a large extent; they did not interact with other disciplines to find out the answers to fundamental questions about economic problems of the modern world. Or as he put it, after being an American academic economist in the 1990s, "I was only too aware of the fact that I knew nothing at all about the world's economic problems."

Detecting Flaws

Piketty concluded that this was so, in part, because there had been no serious

attempt to collect historical data since Simon Kuznets's flawed and incomplete attempt in the 1950s. Therefore, "the profession continued to churn out purely theoretical results without even knowing what facts needed to be explained. And it expected me to do the same." (p. 32)

Thus, Piketty returned to Paris where he felt he could pursue this quest more efficiently. After winning a prize in 2002 for being the best young economist in France, he became head of the economics department at the Paris School of Economics.

It was upon his return to France that he began to work with like-thinking economists like Anthony Atkinson in England and Emmanuel Saez in America. Their common goal was to find and accumulate the largest and most accurate information database concerning the history of national and personal income.

This database did not just pertain to the major Western economies like Great Britain, France and America. It is a far-flung database spreading as far away as India and Indonesia, since Piketty was not just interested in mature, post-industrial economies; he also wanted to examine how economies developed in the post-colonial Third World.

Although the information he has dug up and archived is unprecedented, the author is candid about its shortcomings because data has evolved over time, with some countries, such as France and Great Britain, having a longer record of reliable statistics than others and some countries having gaps due to war or social instability. He qualifies his judgments in the face of these gaps and limitations.

For instance, in his discussion of the German economy, he admits there are "serious lacunae in German tax records." (p. 325) The quality of scholarship and honesty of the book is that Piketty then spends a paragraph explaining why the German record is not complete. What this reveals is that the author went searching for the complete history of modern German tax records but could not locate it.

Without doubt, it is this archival work, done in conjunction with Saez and Atkinson, that forms the backbone of Piketty's book. And it is this work that the author adroitly uses to strike a blow at the theorists he decided to leave behind in America in the 1990s.

Two of the men Piketty takes aim at are Simon Kuznets and his disciple Arthur Laffer the first directly, the second indirectly. Nobel Prize winner Kuznets, way before Laffer, had his own economics curve. (See pgs. 13-17) Kuznets described what he called a natural cycle of economic inequality driven by market

forces. During the first phase inequality increased, and then the inequality decreased as the economy matured: average incomes were attained and the trickle down of benefits from rapid growth increased overall per capita income.

Arthur Laffer, a key figure in President Ronald Reagan's "supply-side economics" of sweeping tax cuts tilted to the wealthy, essentially modified Kuznets by saying that if one helps capital development along by reducing taxes, especially on the rich, the benefits would be even more munificent. In selling this theory to Reagan's team, Laffer once famously sketched his "Laffer curve" on a cocktail napkin.

Make no mistake: Piketty is fair to Kuznets. He praises the man for trying to accumulate data into his work. But he then adds that the data was incomplete and Kuznets misinterpreted what he had. There can be little doubt that Piketty plunges another harpoon into the Kuznets curve. The author demonstrates that any convergence of wealth from the time period 1914 to approximately 1970 did not originate with any kind of "maturation of capitalism."

The convergence of capital into more equal distribution of wealth in those years came from the massive capital outlays to fight two world wars, the evaporation of much capital because of the Wall Street crash of 1929, and the welfare outlays that took place during the Great Depression and in efforts to rebuild Europe after World War II.

But most crucially, after this, from about 1980 onward, the divergence of capital that is the growth of inequality became more pronounced to the point that today, the concentration of capital in the upper classes is almost as high as before World War I; as it was during the Gilded Age. Piketty explains this as being primarily political in its inception. Owing to the initiation of policies by people like Margaret Thatcher and Ronald Reagan, (p. 42) inspired by Laffer's curve, a derivative of the Kuznets curve.

Piketty's Approach

Piketty's book divides into four parts with 16 chapters. In Part One and his introduction, he discusses and reviews past theories about the accumulation of income and capital. Therefore, here he analyzes prior ideas on these subjects written by luminaries like Kuznets and Karl Marx.

As with Kuznets, Piketty is fair to Marx but critical. He gives Marx credit for shifting the analytic focus from the era of land ownership and rents to understanding the dynamics of industrial capitalism. (p. 7) Marx understood that although the accumulation of capital and industrial profits radically increased during the Industrial Revolution, wages stagnated and therefore there was no

development of a middle class. As a result, from 1870 to 1914, there was a “stabilization of inequality at an extremely high level.” (p. 8)

Piketty gives Marx further credit for seeing that, under those conditions, no stable socioeconomic or political equilibrium was possible. (p. 9) But Piketty adds, in the last third of the Nineteenth Century, wages did begin to increase.

Differing with Marx, Piketty said his study would concentrate not so much on the importance of *accumulated* capital, but on *inherited* capital. And further, how this compares with the rate of national income. (pgs. 18-19) He added that he could do this because, unlike Marx, he had a much wider array of data to draw upon. And beyond what Marx could even dream of, Piketty has the computer technology to create enlightening matrixes for comparison purposes. (An appealing aspect of the book is the many charts Piketty uses to illustrate his points visually and dramatically.)

Agreeing with Marx, Piketty wrote that due to his research he found that inequality is not just economic in origin. It is also strongly influenced by political and social forces. (p. 20) He then adds that, unlike what Kuznets implied, “there is no natural, spontaneous process to prevent destabilizing, inegalitarian forces from prevailing permanently.” (p. 21)

This is a key point because later in the book Piketty argues that it was this inequality which was at least, in part, a direct cause of the economic blowout of 2007-08. But perhaps more importantly, that blowout, which was the closest parallel we have had with 1929, has not stopped the growth in inequality. (p. 296)

One of the key points Piketty makes is why he feels this is the case and has continued to be the case. He writes that one of the key problems he discovered was that of slow economic growth, which he pegs as about 1.6 percent in the Twentieth Century. (p. 86)

What this does is accent and aggrandize the importance of inherited wealth. For if the growth of output in the economy does not match the rate of return that capital can maintain in the market, then the economy will stagnate due to a lack of technological innovation and educational skills to diversify and grow the economy and provide more jobs and benefits for more people.

Piketty’s study proved to him that this indeed was the case, which is why annual national income is much, much less in any developed country than the amount of accumulated capital. As Piketty notes, this discovery, which he expresses as the formula $r > g$, “will play a crucial role in this book. In a sense, it sums up the overall logic of my conclusions.” (p. 25)

Piketty's long introduction serves as a kind of overture to what the author will get at in the heart of his work. And it is here that Piketty makes clear how his work differs in aim from both the economics establishment in America and from failed experiments to achieve more economic equality in Europe, America and Russia. He writes:

"By contrast, I am interested in contributing, however modestly, to the debate about the best way to organize society and the most appropriate institutions and policies to achieve a just social order."

(This is not the first time this idea about slow growth and how it benefits inherited wealth has been expressed. As Professor Donald Gibson, who has done much work on the inherited fortunes of America, has noted, an article by David Deitch in *The Nation* argued a similar thesis in the Aug. 31, 1974 issue.)

Skyrocketing Inequality

At the start of Part One, Piketty hammers home two points of his research. First, the rise of income inequality has skyrocketed in the Western world since about 1980, and most prominently in the United States. (See the graph on page 24 for an illustration.)

Secondly, the indications of slow growth are obvious because of the comparison of annual national income with accumulated capital stock. Piketty writes that, generally speaking, in modernized countries, it now takes about 5 to 6 years of national income to equal the accumulated capital. (p. 50)

From there, the author goes on to compare different regions of the world in rates of per capita income. He comes to a startling conclusion: the rate of growth in the West is so slow that parts of what we call the undeveloped world are now catching up to the West in both capital accumulation and personal income. Piketty identifies countries like China and South Korea as examples.

Piketty notes that this is not due to any help by the industrialized world; it is simply a function of the international spread of knowledge and skills as developed around a government that wishes to utilize them as part of a national aim. He contrasts this with what has happened in the West where the promise of economic and social progress inherited from the Enlightenment has now been all but extinguished, largely because of chronic slow growth. He writes:

"Economic growth is quite simply incapable of satisfying this democratic and meritocratic hope, which must create specific institutions for the purpose and not rely solely on market forces or technological progress." This is a point the author will return to in his final section where he discusses recommendations for reform.

Piketty concludes Part One of his book with a cogent and relevant observation based on his historical research. He writes that prior to World War I, the concept of inflation did not really exist. (p. 103) Inflation began because of the enormous amount of debt incurred by combatants of the war to supply their military efforts. After the war, all the countries involved "resorted to the printing press to deal with their enormous public debts." (p. 107)

This begins another theme of the book: the decades-long transfer of wealth from the government and the lower classes to the economic elites, which, of course, is another prime cause of inequality.

So far, all of this has been interesting. But, as the author writes in his introduction, the heart of the book, its reason d'être, is in Parts Two and Three, respectively, entitled, "The Dynamics of the Capital/Income Ratio" and "The Structure of Inequality."

The Role of War

For Piketty, the ratio of national income to capital stock is a key measure. And on pages 116 and 117, he features two important graphs illustrating the curve of that ratio in England and France from 1700 to 2010. These two graphs chart an inverted bell curve.

Piketty's historical research reveals that in 1700 the ratio was about seven years of national income to equal accumulated capital, or 7 to 1. Because of the economic factors of war and the Great Depression, this dropped in the 1900s to a low point of about 2.5 to 1 in the 1940s, a decline that took almost two centuries to complete.

The incredible part of the two graphs is this: It took just 60 years for the ratio to return to 6 to 1! And according to the author it is still on the upswing. In other words, in relation to national income versus accumulated capital, England and France are almost back to a point in history when there were no unions, no middle class and no public pensions. Piketty writes:

"Broadly speaking, it was the wars of the twentieth century that wiped away the past to create the illusion that capitalism had been structurally transformed." (p. 118)

Piketty then goes inside the numbers, writing that a major difference between 1700 and today is that the center of value for capital back then was farmland. Today, the largest values in capital are in housing and in financial assets, i.e., stocks and bonds. (pgs. 119-120) He also notes that another major difference between the two eras is the decline in importance of the value of foreign assets.

For instance, prior to World War I, England had imperial assets worth about two years of national income, but that wealth evaporated by 1950 when England lost control over its far-flung empire.

Another point the author brings up is the comparison between private wealth and public wealth, i.e., how much surplus revenue the national government has. This is an important point since governments can do much to encourage economic equality if they have the revenue to do it.

Today, in France and England, this number is negligible. In France, public wealth amounts to about 5 percent of total national wealth. In England it's even less, about 1 percent. (p. 125)

Piketty also points out that the loans made to governments by the upper classes to cover debts from the wars and other needs worked out quite well for the rich. The great public debt incurred by England and France due to warfare in the Twentieth Century returned to the private creditors at a rate of about 4-5 percent per annum. (p. 131)

This remarkably high ratio of capital to national income varies very little from advanced country to advanced country. For example, in Germany the ratio is 6.5 to 1. (p. 141) This relative value from government bonds diverts money from riskier investments, meaning that the rate of innovation and new job creation is relatively low in regards to inherited wealth.

Scarcity for the Commonwealth

Since public wealth is also low, governments have little money to pay for programs that will help spur employment and restore growth, a situation exacerbated by the large amounts of money spent by governments to counteract the 2007-08 recession, funds that went disproportionately to bailing out banks and stabilizing the financial systems, not to building infrastructure or funding research or other activities that would benefit working people and the broader society.

The vast expenditures were largely made simply to save the economic system from further damage, not to create employment and wealth. And, as Piketty notes, the ratio of this formula has not abated since the blowout, continuing to grow in the eight wealthiest countries, i.e. the United States, Germany, England, Canada, Japan, France, Italy and Australia. (p. 171)

Piketty is at pains to stress just how important this current trend is. He writes that at the advent of the 1970s, total value of private wealth stood at about 2 to 3.5 years of national income in all the wealthiest nations. Today that figure has doubled to 4 to 7 years. (p. 173) He writes:

“What we are witnessing is a strong comeback of private capital in the rich countries the emergence of a new patrimonial capitalism.”

What makes it worse is that in most cases, government has not been a force to counteract this disturbing trend, often serving as an agent abetting it. Or as the author writes, “The revival of private wealth is partly due to the privatization of national wealth.” (p. 184)

And since the ration of public wealth to private wealth is declining, there seems to be little hope that the former will be able to do anything to reverse that trend in the near future, especially since the main method of privatization, the selling of government bonds, increases private wealth without increasing national wealth. (p. 185)

What has accelerated this runaway factor is that since World War II, the prime assets of the upper classes, real estate and stocks, have steadily risen in value., especially from 1980 to 2007 when they greatly accelerated in value. At the same time, the elites began to lobby for lower taxes on capital gains and estates, especially in America.

Division of National Income

Piketty next moves to an examination of the division of national income between labor and capital. (p. 199) In his studies, the author has found that overall, in England and France, the annual rate of return on capital has averaged about 5 to 6 percent annually. (p. 200) In his graphs illustrating the split in annual income between the two, a familiar trend manifests itself. In 1940, the share going to labor peaked out at about 87 percent. Today, it is about 74 percent.

Again, Piketty takes us inside the numbers, computing the average tax rate on capital at about 30 percent. (p. 208) He then figures that the total of all wealth in checking and savings accounts is about 5 percent of total wealth, which is a remarkably low figure considering the amount of the population which keeps much of its cash assets in those accounts. In comparison, the return on investment of rental housing is half of total national wealth, with most of that income going to the upper classes.

The author ends this section of his book by concluding that there seems to be no visible means today to halt, or even slow down, the trend of a rising capital versus labor share of national income, either as a split in annual national income or as a ratio of national income to accumulated stock capital. (p. 233) As he puts it:

“The principal lesson of this second part of the book is surely that there is no natural force that inevitably reduces the importance of capital and of income

flowing from ownership of capital over the course of history.” (p. 234)

The implicit message is that government especially democratic ones that have a responsibility to “promote the general Welfare” as the U.S. Constitution states is supposed to do this. But, with few exceptions, it has not done a very effective job.

Structure of Inequality

For me, the most important part of the book is Part Three, “The Structure of Inequality.” In reading this section, I felt it was unfortunate that the Occupy Wall Street movement rose and fell before Piketty’s book was published. His work could have served as both intellectual support for Occupy’s warnings about the “One Percent” and an explanation of the harm that concentration of wealth is doing to the United States and the industrialized world.

In fact, Piketty’s research would have negated a common criticism of the naysayers who criticized Occupy Wall Street by saying that its message was not specific enough and was not backed up by data. In Part 3, Piketty furnishes both of those in spades.

He begins this section by repeating a recurrent message: the dislocations of 1914-45 only delayed and retarded the rise and domination of capital. Today, that march toward the patrimony of wealth is rampant again. (p. 237) This rise was not a natural one, a la Kuznets. Institutions and political factions played a prominent role in activating it.

Piketty next turns to the inequality in the distribution of capital, which he says is always more unequal than that of labor. (p. 244) He demonstrates this by summoning up another figure from his database: The top ten per cent of labor gets about 25 to 30 percent of total labor income, while the top ten percent of recipients of capital income gets about 50 percent. The bottom 50 percent of capital recipients gets almost nothing. For Piketty, this very high concentration of wealth is explained by the importance of inherited wealth.

Piketty illustrates this with a cogent example from Scandinavia. Sweden has a very high tax rate on wealthy incomes. Therefore, the top ten percent of capital earners get about 30 per cent of the total, per annum. But in the United States, which has all but eliminated the progressive tax rate (through lower tax rates on capital gains and various loopholes allowing the rich to shelter their wealth), that same 10 percent gets about more than twice as much, about 70 per cent. (p. 248)

As Piketty points out, except for Europe in 1910, that figure is the highest percentage rate he could find in his entire database. He makes a parallel

observation about the distribution of labor income. In Scandinavia, from 1970-1990, the top 10 percent of workers received about 20 percent of total wages, while the bottom 50 percent got about 35 percent.

He compares this with the United States where the top 10 percent gets about almost twice as much, about 35 per cent of total income, whereas the bottom half gets about 25 percent. Piketty writes about these last figures that, income for labor in the U.S. "is about as unequally distributed as has ever been observed anywhere." (p. 256)

By getting further inside the numbers, the author makes an important distinction. The further one goes up in the top ten percent, the higher the concentration of wealth gets. The author explains this phenomenon: "The top centile is a large enough group to exert a significant influence on both the social landscape and the political and economic order." (p. 254)

In other words, economic hegemony leads to political and social hegemony. Since the interests of the top 1 percent do not necessarily coincide with the rest of the public, the policies that are later enacted because of this hegemony are not at all, in the best sense of the word, democratic. In fact, they are meant to be anti-democratic, benefiting only that elite which means to preserve its own power and status.

Educational Inequality

Perhaps the best example that Piketty uses in this regard comes about halfway through the book. Readers may recall that one of the most controversial appointments that President Reagan made was William Bennett as Secretary of Education. There is no doubt that the well organized conservative movement clearly supported this appointment, since in the week before his congressional hearings, several columns appeared in support of him, including a prominent one by George Will.

Once Bennett gained office he almost immediately said he supported the administration's efforts to curtail federal programs for college loans and grants. He also favored cutting the amount of loans and grants to those students who had lower incomes. This created a firestorm of controversy in Washington and in the press.

Many Democratic congressmen and senators assailed Bennett and the White House for these new policy proposals. First, they cited that the proposals would limit upward social mobility because the people who most needed sizeable grants and loans to attend the best colleges would not be able to afford to do so. Secondly, many thought by making these proposals for cuts, the social fabric of

America would be damaged because education was not viewed as an expense but as an investment.

Bennett brushed aside these concerns by joking that the cuts would only necessitate students sacrificing their Fort Lauderdale spring vacations. From the prospective of several decades, however, Bennett's comedy was not so funny because it began a steady march toward putting college education outside the reach of many families of modest incomes and contributed to the heavy debt burdens that many young Americans were forced to assume in their pursuit of a college degree.

The loss of a college opportunity for many young Americans also coincided with the widening wage gap between those with college degrees and those without. (p. 306) This disparity increased just as the number of college graduates stopped growing, or at least slowed in growth. Piketty argues that the widening gap in wage inequality is at least partly due to the cutback in college investment, since many families could not find alternative ways to send their children on to higher education.

One belief that Piketty is steadfast about through the book is this: investment in higher education and training would allow broader segments of the public to advance upward and into the higher wage scales. It would also decrease the upper decile's share of both wages and total income. (p. 307)

Again, he uses Scandinavia as a point of comparison, writing that there "wage inequality is more moderate than elsewhere" and this is owed "in large part to the fact that their education system is relatively egalitarian and inclusive." (ibid) But he adds that the debate about the cost of education lacks an acceptable database to allow for an informed discussion.

Piketty also complains that the idea that the most prestigious colleges "tend to favor students from privileged social backgrounds" is an issue that should not be bypassed lightly because it is obvious that the students who graduate from those colleges have multiplied their chances of success and affluence by a large factor over those who graduate from public colleges with little name recognition.

An Unprecedented Gap

And again, Piketty brings up more evidence with his statistics to back up this belief. In Scandinavia, the top 10 percent owns about 50 percent of all capital. In Europe the top decile owns about 60 percent of all capital. However, in the United States, the top ten percent owns an astonishing 72 percent of all capital (See page 248), meaning that 90 percent of the public has only 28 percent of the

financial assets.

If this trend continues in America by 2030 the top 1 percent would be earning about 34,000 euros per month, or about \$44, 000, while the bottom 50 percent about 800 euros a month or about \$1,100 (p. 257), making the wage inequality in America almost unprecedented, according to the available data.

An even wider inequality applies to the issue of net wealth or worth in America, with the poorest sector of society, the bottom 25 percent having little or no personal wealth, if not a negative net worth.

Piketty says the average net worth for the poorest half of the population is about 20,000 euros or about \$25,000, really only the equivalent of a few weeks or months to cover expenses like rent, car payments and maybe a small mortgage. (p. 259) By contrast, the top ten per cent has an average wealth of 1.2 million euros or about \$1.6 million each and the top one percent is worth about 5 million euros or about \$6.5 million. (ibid)

This imbalance is worse in the United States than it is anywhere in the advanced world, with the U.S. conditions actually approaching the conditions in Europe in the fin de siècle age. According to Piketty's database, at that time the top ten percent owned about 90 percent of all wealth within a nation's borders. (p. 261) That means the middle class owned about 5 percent, as did the lower classes. In effect, there really was no middle class as Americans came to understand the concept in the post-World War II era. This extreme imbalance resembled the economic structure of France on the eve of the revolution in 1789.

So, although the construction of a middle class was an important historical development in the Twentieth Century, the author said all this large group had attained by the early Twenty-first Century was about a third of the wealth in Europe and a quarter in the United States. (ibid)

To be specific, the middle class has four times as many people as the top decile, but depending on the country only a half to a third as much wealth. The author's argument is that this split would be even wider except that, by the end of World War II, the upper class had lost about 50 percent of its assets. (p. 262)

Setting a Dubious Record

From there, Piketty depicts the combination of wealth between capital and income. (See graph on page 249) In this category, again the U.S. leads the way in inequality. Piketty projects that if this trend continues the United States will set a record for combined wealth inequality by 2030 when the top decile would "claim about 60 percent of the national income, while the bottom half

would get barely 15 percent.” (p. 264)

How is such a state of affairs even possible in a country that once prided itself in its Great American Middle Class? The author proffers two reasons: first the sheer weight and influence of inherited wealth passed on from generation to generation; and second, something new, the rise of the super managerial class.

The first point is easy to comprehend, especially given Republican assaults on the “death tax,” i.e., the inheritance tax that was designed by earlier generations of American political leaders to prevent the consolidation of an American aristocracy. The second is a fairly new phenomenon, the rise of professions like hedge fund managers and the extraordinary salaries and stock options granted by boards of directors to corporate managers, whether CEOs or CFOs or presidents of the company or vice-presidents.

This uniquely American phenomenon is, in Piketty’s database, unprecedented. In fact, he is worth quoting on the subject of labor inequality as exhibited by this new class of super wealthy managers:

“What primarily characterizes the United States at the moment is a record level of inequality of income from labor, probably higher than in any other society at any time in the past, anywhere in the world, including societies in which skill disparities were extremely large.” (p. 265)

This rise in this super-manager class has made a real difference in the composition of the wealth of the top ten percent. Prior to this, the largest amount of wealth in the top decile was made up of capital assets, i.e., income on property and financial assets. With the rise of this new class of millionaires, earned income has become a much stronger factor in the composition of this wealth than ever before.

In fact, taking the example of the top ten percent in France, Piketty shows that for the lesser nine percent, income from labor exceeds income from capital. (p. 277) The author maintains that this is a universal rule in the advanced world. The higher one goes in the top ten percent the more income is derived from capital than from labor. (p. 280)

Here, Paketty makes an overdue admission about his database. He and his colleagues have chiefly worked from tax records. But he now admits that in the realm of evaluating capital assets of the richest Americans, these records may be underestimating things. Some of these citizens may break the law and simply not report all they have in order to lower their tax bill. Some will legally exempt some of their income by finding loopholes, including investments in

overseas countries which are easier to hide than in America. (p. 282)

The author adds that another shortcoming in the data base is that tax returns do not tell you the specific origin of capital, nor do they reveal inheritances. Because of all these limitations, the author argues for more and stricter accounting laws so that more specifics about wealth can be revealed and studied.

Yet, in this mixed category of combining capital with income, the author explains that the overall pattern remains the same. The Twentieth Century began with a very high concentration of wealth in the upper classes, which was largely dissipated by the two world wars and the 1929 crash. But it began to rebuild itself in the 1970s and 1980s. (ibid)

This is the end of Part One of DiEugenio's examination of Piketty's book.

Jim DiEugenio is a researcher and writer on the assassination of President John F. Kennedy and other mysteries of that era. His most recent book is [Reclaiming Parkland](#).

A 2013 Lookback at Consortiumnews

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JFK's Embrace of Third World Nationalists

Exclusive: The intensive media coverage of the half-century anniversary of John F. Kennedy's murder was long on hype and emotion but short on explaining how revolutionary JFK's foreign policy was in his extraordinary support for Third World nationalists, as Jim DiEugenio explains.

By Jim DiEugenio

Most knowledgeable people understood that the 50th anniversary of the assassination of President Kennedy would be marked by an extraordinary outpouring of media programming commemorating his life and death. But the volume probably exceeded expectations.

There were even programs aired that were not announced in advance, e.g., "The Assassination of President Kennedy" produced by Tom Hanks and his Playtone production company, which featured an aged and very ill-looking Vincent Bugliosi, author of *Reclaiming History*, one more defense of the Warren Commission's report.

Perhaps the longest 50th anniversary program was the two-part, four-hour "JFK" on the PBS series "American Experience." It was largely based on the work of historian Robert Dallek, who has written two books about Kennedy, *An Unfinished Life* and *Camelot's Court*. Combined, the books amounted to over 1,100 pages of

biography and analysis.

Although Dallek did much work on Kennedy's medical records, there were some commentators who wondered if the historian was actually diligent enough in informing his readers about Kennedy's policies, especially his foreign policy initiatives. In fact, in the introduction to the second book, Dallek suggests that he wrote the second tome because he couldn't understand why an intervening poll showed President Kennedy as, far and away, the most admired of the last nine presidents. Dallek mused: Did I miss something?

Having read both of Dallek's books, I would venture to say that, yes, he did miss something. Actually, more than just something. He missed a major part of the story that the general public however vaguely, however inchoately somehow *does* understand about President Kennedy. Namely this fact: There is as much a battle over who JFK was, as over the circumstances of his assassination.

Those two continuing controversies who was Kennedy and who killed him would lead some to ask if there may be a relationship between the two questions. In other words, was Kennedy killed because of the policies he tried to enact as president, particularly in the foreign policy sphere? However, in Dallek's quest to discount this angle, he once wrote an article for *Salon* about Kennedy that was titled, "Why do we admire a President who did so little?"

But is that really the case? There is a growing body of scholarship that holds that, even though Kennedy was cut down after less than three years in office, he achieved quite a lot and was trying for even more. Authors like Irving Bernstein, Donald Gibson, Richard Mahoney, John Newman, James Bill, Philip Muehlenbeck and Robert Rakove have all tried to detail the serious achievements and goals Kennedy had while in office.

A Foreign Policy Revolution

Further, most of these authors have tried to demonstrate two foreign policy shifts that Kennedy set in motion but that his assassination reversed. The first were the series of changes that Kennedy made in the policies which preceded him, those of President Dwight Eisenhower and his foreign policy team, consisting largely of the Dulles brothers and Richard Nixon.

The second series of changes occurred after Kennedy was killed and Lyndon Johnson took office. These changes essentially returned to the *status quo ante* established by the Dulles brothers. Because the subject of Kennedy's entire presidency would take a book to review, let us concentrate here just on a few segments of his foreign policy that still resonate today.

To understand the import of President Kennedy's foreign policy ideas, one needs

to contemplate the photo of Kennedy getting the news of the murder of Patrice Lumumba. The black African revolutionary leader of Congo was shot to death on Jan. 17, 1961, just three days before Kennedy was to take office, although his death was not confirmed for several weeks.

Eisenhower would not have reacted with the distress shown on Kennedy's face because, as the Church Committee discovered, Lumumba's murder was linked to the approval of a plan by Eisenhower and CIA Director Allen Dulles to eliminate him. (William Blum, *The CIA: A Forgotten History*, pgs. 175-176) Former CIA officer John Stockwell wrote in his book *In Search of Enemies* that he later talked to a CIA colleague who said it was his job to dispose of Lumumba's body. (Stockwell, p. 50)

To fully understand the difference between how Kennedy viewed Africa and how Eisenhower, the Dulles brothers and later Lyndon Johnson did, one must appreciate why Eisenhower and his national security team felt it necessary to eliminate Lumumba. As Philip Muehlenbeck has noted in his book *Betting on the Africans*, Eisenhower and Secretary of State John Foster Dulles essentially ignored the tidal wave of decolonization that swept through Africa in the Fifties and Sixties. Nearly 30 new nations emerged in Africa during this time period.

Even though most of this transformation occurred while Eisenhower was president, the United States never voted against a European power over a colonial dispute in Africa. Neither did Dulles or Eisenhower criticize colonial rule by NATO allies. Not only did the White House appear to favor continued colonial domination, but with the nations already freed, they looked upon the emerging leaders with, too put it mildly, much condescension.

At an NSC meeting, Vice President Nixon claimed that, "some of these peoples of Africa have been out of the trees for only about fifty years." (Muehlenbeck, p. 6) And, of course, John Foster Dulles saw this epochal anti-colonial struggle through the magnifying glass of the Cold War. As Muehlenbeck writes, "Dulles believed that Third World nationalism was a tool of Moscow's creation rather than a natural outgrowth of the colonial experience." (ibid, p. 6) Therefore, to Eisenhower and his team, Lumumba was a communist.

Kennedy's Anti-Colonialism

To Kennedy, however, Lumumba was a nationalistic leader who was trying to guide his country to independence, both politically and economically. Lumumba wanted Congo to be free of economic exploitation from foreigners. Kennedy agreed with that idea. As his Under Secretary of State for Africa, G. Mennen Williams, succinctly stated, "What we want for the Africans is what the Africans want for

themselves.” (ibid, p. 45) The Kennedy administration’s policy deliberately made European interests secondary.

The crisis in Congo was exacerbated by the fact that Congo’s Katanga province contained abundant natural resources, including gold, copper and uranium. Therefore, when the Belgians abruptly left, they ensured that their departure would leave behind enough tumult so that certain friends in Katanga, like Moise Tshombe, would ask for their return. The problem was that Prime Minister Lumumba had no desire to ask.

So, in July 1960, Lumumba went to Washington to seek help in kicking the Belgians out. When Lumumba arrived, Eisenhower remained on a golfing trip in Newport, Rhode Island. (Mahoney, *JFK: Ordeal in Africa*, p. 38) And, it was clear from Lumumba’s discussion with other officials that America was not going to help him expel the Belgians. Then, Lumumba turned to the Russians, who did supply military assistance. (ibid, p. 40)

This development played into the hands of CIA Director Allen Dulles, who declared that the “communist” Lumumba must be removed. He was killed on Jan. 17, 1961, apparently by a firing squad organized by Belgian officers and Katangan authorities (although his fate was covered up for several weeks).

There are some writers, like John Morton Blum and the late Jonathan Kwitny, who did not believe the timing of Lumumba’s murder to be a coincidence, just three days before Kennedy’s inauguration. It may have been done then because the CIA suspected that Kennedy would side with Lumumba, which, when his new plan for Congo was formulated, was clearly what JFK was going to do. (Mahoney, pgs. 65-67)

Kennedy decided to cooperate with Secretary General Dag Hammarskjold at the United Nations to try and save the country’s independence. Kennedy wanted to neutralize any East-West competition, to stop the creation of an economic puppet state in Katanga, and to free all political prisoners. Not knowing Lumumba was dead during the first weeks of his administration, Kennedy meant to restore Lumumba to power. If Lumumba’s death was accelerated to defeat an expected policy change by JFK, in practical terms, it was successful.

Who Was Gullion?

The man Kennedy chose to be his ambassador to Congo was Edmund Gullion, who was the one who had altered Kennedy’s consciousness about Third World nationalism. There are some writers who would maintain that perhaps no other person had as much influence on the evolution of Kennedy’s foreign policy thinking as did Gullion. Yet, Gullion’s name is not in the index to either of Dallek’s books on

Kennedy.

Edmund Gullion entered the State Department in the late 1930s. His first assignment was to Marseilles, France, where he became fluent in the French language and was then transferred to French Indochina during France's struggle to re-colonize the area after World War II.

Kennedy briefly met Gullion in Washington in the late 1940s when the aspiring young politician needed some information for a speech on foreign policy. In 1951, when the 34-year-old congressman flew into Saigon, he decided to look up Gullion. In the midst of France's long and bloody war to take back Indochina, one that then had been going on for five years, Gullion's point of view was unique among American diplomats and jarringly candid.

As Thurston Clarke described the rooftop restaurant meeting, Gullion told Kennedy that France could never win the war. Ho Chi Minh had inspired tens of thousands of Viet Minh to the point they would rather die than return to a state of French colonialism. France could never win a war of attrition like that, because the home front would not support it.

This meeting had an immediate impact on young Kennedy. When he returned home, he began making speeches that highlighted these thoughts which were underscored by the Viet Minh's eventual defeat of the French colonial forces in 1954. In criticizing the U.S. Establishment's view of these anti-colonial struggles, Kennedy did not play favorites. He criticized Democrats as well as Republicans who failed to see that the United States had to have a positive appeal to the Third World. There had to be something more than just anti-communism.

For instance, in a speech Kennedy gave during the 1956 presidential campaign for Adlai Stevenson, the then-Massachusetts senator said: "The Afro-Asian revolution of nationalism, the revolt against colonialism, the determination of people to control their national destinies. In my opinion, the tragic failure of both Republican and Democratic administrations since World War II to comprehend the nature of this revolution, and its potentialities for good and evil, had reaped a bitter harvest today, and it is by rights and by necessity a major foreign policy campaign issue that has nothing to do with anti-communism."

Stevenson's office then sent a wire to Kennedy asking him not to make any more foreign policy speeches for the campaign. (Mahoney, p. 18) Considering that Stevenson was the darling of the liberal intellectual set, this handwringing may come as a surprise, but his campaign's worries reflected the political realities of the day.

The Algerian War

In 1957, Kennedy found the perfect time and place to launch a rhetorical broadside against the orthodoxies of both parties on colonialism and anti-communism. By that time, France had inserted 500,000 troops into Algeria to thwart a bloody, terrifying and debilitating colonial war. But because the Algerians fought guerrilla-style, using snipers, explosives and hit-and-run tactics, the war degenerated into torture, atrocities and unmitigated horror.

When the grim facts on the ground were exposed in Paris, the Fourth Republic fell and World War II hero Charles DeGaulle returned to power. When Sen. Kennedy rose in the Senate to address the painful subject of Algeria, the war had been going on for three years. As yet, no high-profile U.S. politician had analyzed the issue with any depth or perspective for the public.

On July 2, 1957, Kennedy started the speech with an understanding tone, observing that many American leaders had chosen not to say anything since this was an internal French matter and France had been America's first ally. Kennedy then switched gears, noting that a true friend of France would not stand by and watch France tear itself asunder in a futile war, one that would only delay the inevitable. He then got to his real point:

"Yet, did we not learn in Indochina that we might have served both the French and our own causes infinitely better had we taken a more firm stand much earlier than we did? Did that tragic episode not teach us that, whether France likes it or not, admits it or not, or has our support or not, their overseas territories are sooner or later, one by one, inevitably going to break free and look with suspicion on the Western nations who impeded their steps to independence?"

I have read this fascinating speech several times, and there is one part of the speech that today stands out like a beacon in the night for today's world. Kennedy understood the history of North Africa. That is, its conquest by the Ottoman Empire and the resultant fact that many, many native Algerians were Moslem. Therefore, he added the following:

"In these days, we can help fulfill a great and promising opportunity to show the world that a new nation, with an Arab heritage, can establish itself in the Western tradition and successfully withstand both the pull toward Arab feudalism and fanaticism and the pull toward Communist authoritarianism."

This acute perception that America needed to do everything possible to moderate emerging Arab nationalism so that it did not degenerate into "feudalism and fanaticism" is something Kennedy would act upon once he gained the White House.

As historian Allan Nevins wrote, no speech by Sen. Kennedy had attracted more attention than this one, and much was negative. Naturally, those he criticized

harshly attacked Kennedy: John Foster Dulles, Eisenhower and Nixon. But again, as in 1956, Stevenson and another fellow Democrat, former Secretary of State Dean Acheson, also attacked him. Kennedy's staff collected the many newspaper editorials the speech generated: 90 of the 138 responses were negative. (Mahoney, p. 21)

The World's Reaction

But the reaction abroad was different. Many commentators in France were impressed by Kennedy's insights into the conflict. And in Africa, Kennedy became the man to see in Washington for visiting African dignitaries. The Algerian guerrillas hiding in the hills were exhilarated by Kennedy's breadth of understanding of their dilemma. They listened excitedly as the results of the 1960 presidential election were tallied.

Many books and films have been written and produced about what Kennedy did while in office in the foreign policy sphere. Most books concerning his assassination deal almost exclusively with Vietnam and Cuba. In the second edition of *Destiny Betrayed*, I tried to make the argument that, to understand Kennedy's view of the world, it was necessary to broaden the focus.

In fact, the first foreign policy crisis that Kennedy reviewed once in office was neither Cuba nor Vietnam. It was the conflict in Congo. And as we can see from his reaction to both African crises, Kennedy had learned his lessons from Gullion well, to the point that he was willing to endanger relations with European and NATO allies in order to support Third World nationalism.

But there was another case where Kennedy did the same, the giant island archipelago of Indonesia, which the Netherlands had colonized since the late 1500s. After World War II, a guerrilla war challenged a restoration of colonialism and Indonesia won its independence in 1949. But, as with Katanga in Congo, the Dutch decided to keep control of the eastern island of West Irian because of its wealth.

In 1958, the Dulles brothers tried to overthrow Achmed Sukarno, the nationalist president of Indonesia, but the coup attempt failed. The shoot-down of American pilot Allen Pope exposed the coup as being organized and run by the CIA. Sukarno kept Pope imprisoned after the change of administrations.

President Kennedy invited Sukarno to the U.S. for a state visit. He wanted to discuss the release of Pope, so he asked CIA Director Allen Dulles for the report on how Pope was captured. Dulles gave him a redacted copy. But even in this form, Kennedy discerned what had happened. He exclaimed, "No wonder Sukarno doesn't like us very much. He has to sit down with people who tried to overthrow

his government.” (DiEugenio, *Destiny Betrayed*, p. 33)

Because of Kennedy’s different view of the issues at hand, he was able to achieve a much improved relationship with Indonesia. He secured the release of Pope, put together a package of non-military aid for Indonesia, and finally, with the help of Robert Kennedy and veteran diplomat Ellsworth Bunker, West Irian was released by the Netherlands and eventually returned to Indonesia.

Embracing Nationalism

What is clear from these examples is that Kennedy was a proponent of nationalism: the belief that native peoples living in areas emerging from colonialism and imperialism should have control of their own natural resources. This concept challenged the system of European imperialism that the United States also joined after the Spanish-American War at the end of the 19th Century.

The Dulles brothers, with their strong ties to the Eastern Establishment and, through banker David Rockefeller, to the Council on Foreign Relations, had been a part of this imperial system. One way was through their service to giant American international conglomerates at the Wall Street law firm of Sullivan and Cromwell. John Foster Dulles had joined the firm in 1911 and became the managing partner at a relatively young age. Later, he brought his brother Allen into the firm where he made senior partner in just four years.

But, beyond that, the Dulles brothers were born into power. Their grandfather, through their mother, was John Watson Foster, Secretary of State under President Benjamin Harrison in 1892. Their uncle, Robert Lansing, served in that same office under President Woodrow Wilson.

After World War I, through Wall Street financier Bernard Baruch, the Dulles brothers gained entry to the Treaty of Versailles. There, from the ruins of the Ottoman Empire, they were instrumental in setting up the mandate system in the Middle East. This made it easier for their corporate clients, which included the Rockefeller family trust, to set up oil exploration deals in these European-supervised principalities.

This is one reason the Dulles brothers favored the monarchical system in the Middle East. After all, if Arab nationalism advanced, it ran the risk of handing the oil riches of the Middle East to the people who lived there rather than to British and American petroleum companies.

The best-known example of the Dulles brothers’ strategy was the 1953 CIA-backed coup in Iran that ousted nationalist leader Mohammad Mosaddegh and returned the Shah, Mohammed Reza Pahlavi, to power. The Shah then amassed an appalling human rights record by deploying his CIA-trained security service, the SAVAK, against

his political enemies.

As author James Bill notes in his book, *The Eagle and the Lion*, the Kennedy brothers disdained the Shah's monarchical rule. At one stage, they commissioned a State Department paper on the costs and liabilities of returning Mosaddegh to power. To counter the negative image held by the Kennedys, the Shah launched a series of economic and social reforms called the White Revolution but they were unsuccessful.

After Kennedy's death, the pressure on the Shah was relaxed due to the closeness of presidents like Lyndon Johnson and Jimmy Carter to the Rockefellers. But history would see Kennedy as prescient for his 1957 warning about how neo-colonialism could lead to "fanaticism." The prime example was the Iranian revolution that overthrew the Shah in 1979.

Working with Nasser

In contrast to the Eisenhower administration, President Kennedy had a much more favorable view of the nationalist leader of Egypt, Gamel Abdel Nasser, who held a special place in the geography of Middle East and African leaders. Because of the Suez Canal and his charismatic leadership of Arab nationalism and pan-Arab unity, Nasser emerged as a central figure in both regions.

Under Eisenhower, John Foster Dulles had poisoned the American relationship with Nasser by trying to pressure him into joining a U.S. military pact against the Soviet Union. Nasser replied that such an arrangement would cost him his standing with the Egyptian people. (Muehlenbeck, p. 10)

Keeping with his non-aligned status, Nasser also decided to recognize China's communist government. John Foster Dulles with his myopic "you're either with us or against us" attitude cut food shipments to Egypt and cancelled support for the Aswan Dam project.

This provoked Nasser's occupation of the Suez Canal and the subsequent tripartite invasion of Sinai by England, France and Israel. But this blatant reassertion of European colonialism was too much for Eisenhower who joined with the USSR at the United Nations in demanding that the invaders leave. But much damage between Egypt and the West had already been done. The Russians stepped in to supply the necessary loans to construct Aswan.

The next chess move by Dulles looks even worse today than it did then. Realizing that these events had built up Nasser even further in the eyes of the Arab world, Dulles turned toward King Saud of Saudi Arabia and tried to use him as a counterweight to Nasser's nationalism. Dulles arranged to have Saud do what Nasser would not: sign onto the Eisenhower Doctrine, a treaty which would, if

needed, forcibly keep the Russians out of the Middle East.

Many saw this as a clever geopolitical tactic to keep Nasser in check. But it was perceived in the Middle East as Dulles allying himself with royalty and against nationalism. (ibid, p. 15) It was a repeat of what the Dulles brothers and Eisenhower had done in Iran in 1953.

Kennedy wanted to reverse this perception of the United States aligning itself with the old order. He told National Security Adviser McGeorge Bundy that rebuilding the American relationship with Egypt would be a priority focus of his administration. He was determined that Egypt would stay non-aligned, but he also wanted to end the idea that the United States was close to the Saudis.

To Kennedy, charismatic and influential moderates like Nasser represented the best hope for American foreign policy in the Middle East. In a reference to what Dulles had done with the Aswan project, Kennedy said: "If we can learn the lessons of the past, if we can refrain from pressing our case so hard that the Arabs feel their neutrality and nationalism threatened, the Middle East can become an area of strength and hope." (ibid, p. 124)

Repairing Egypt Ties

Kennedy tried to patch up the U.S.-Egypt relationship by doing something that seems rare today. He chose his ambassador to Egypt on pure merit, Dr. John S. Badeau, who headed the Near East Foundation and probably knew more about the history of Egypt than any American.

Badeau already knew Nasser and the Speaker of the National Assembly, Anwar El Sadat. This, plus the way Kennedy changed American policy in Congo, helped to tone down Nasser's anti-American and anti-Israeli rhetoric. Kennedy then went further. After Syria left the United Arab Republic in 1961, Kennedy made hundreds of millions of dollars in loans to keep the Egyptian economy afloat.

In Kennedy's view it was important for America to favor men like Nasser and Sadat over the monarchies of the Middle East because it was the nationalists, and not King Saud, who could capture the popular support of the public and channel it in a positive and progressive way. Or, as author Philip Muehlenbeck writes, "For Kennedy the Saudi monarchy was an archaic relic of the past and Nasser was the wave of the future." (ibid, p. 133)

Like the Shah, Saud exemplified brutality, corruption and civil rights abuses. So, Kennedy did something symbolic to demonstrate the new U.S. attitude. In 1961, King Saud was in a Boston hospital for a medical condition. Kennedy did not visit him, even though the man was in his hometown. Instead, Kennedy went south to Palm Beach, Florida. After constant badgering from the State

Department, Kennedy did visit Saud afterwards when he was in a convalescent home. But he couldn't help registering his disgust by telling his companion in the car, "What am I doing calling on this guy?" (ibid, p. 134)

During the civil war in Yemen, Nasser backed Abdullah al-Sallal against the last Mutawakkilite King of Yemen, Muhammad al-Badr. Saudi Arabia supported the king to stop the spread of Nasser's influence and prevent the rise of nationalism. To demonstrate his alliance with Nasser over Saudi Arabia, Kennedy recognized al-Sallal, even though the leaders of England and Israel criticized Kennedy about it. (ibid, p. 135)

As historian Muehlenbeck notes, this conflict ended with a truce only because of the mutual trust and admiration between Kennedy and Nasser. Kennedy was so sympathetic to Nasser and Algerian leader Ahmed Ben Bella that the Senate passed an amendment limiting his aid to the two leaders.

Kennedy's policies, at the very least, delayed the rise of anti-Americanism in the region. At best, they showed why future presidents should not forge ties to the reactionary monarchy in Saudi Arabia, which essentially has contributed to terrorist groups to preserve its power. Like no president before or since, Kennedy risked relations with traditional allies over the issue of nascent nationalism.

Portugal and Africa

Due to Prince Henry the Navigator's success in expanding Portuguese interests into Africa in the 1400s, Portugal became the first country to develop the African slave trade and retained considerable colonial possessions in Africa over the next five centuries.

Just two months after Kennedy was inaugurated, Liberia sponsored a United Nations motion to begin a reform program so that Angola could gain its independence from Portugal. Kennedy had his UN representative Adlai Stevenson vote for Liberia and against Portugal, France and England.

Further underscoring this sea change in U.S. policy, American was now voting *with* the Soviet Union. Even the *New York Times* understood something big was afoot, calling it a "major shift" in traditional foreign policy by Kennedy. (ibid, p. 97)

Kennedy understood that he had to embrace anti-colonialism in order to compete with Russia in the non-aligned world. As he learned from Gullion in Vietnam, America could not be perceived as a counter-revolutionary country. If the U.S. went against the powerful emotions of nationalism, there would be little alternative but to support fascist dictators or even send in American combat

troops, which Kennedy considered counter-productive and didn't want to do.

Therefore, when the Angola vote was cast, Kennedy was trying to show the developing world that the USSR was not the only great power in the Caucasian world to oppose colonialism. (ibid, pgs. 97-98) In other words, for Kennedy, this was not just the right thing to do; it was the practical thing to do. And it was another clean break with Eisenhower and the Dulles brothers. The best they would do in these types of situations was to abstain from voting.

To say the Angola vote was not popular with Establishment forces is putting it mildly. Acheson again criticized Kennedy. Portuguese demonstrators in Lisbon stoned the U.S. embassy. But Kennedy understood that it would send a clear signal to the leaders of the developing world, a reversal of an earlier era of disdain for African nationalists. A few years before, when Julius Nyerere of Tanganyika went to New York to lobby for such a UN resolution, he was limited to a 24-hour visa and an eight-block travel radius.

But Kennedy went beyond just supporting a UN resolution. He offered to raise U.S. foreign aid to Portugal to \$500 million per year for eight years if Portuguese President Antonio Salazar would free all of its African colonies. Since aid to Portugal was very minimal at the time, this was a staggering amount of money. Today it would be about \$16 billion. After Salazar turned down the offer, Kennedy sent aid to the rebels in Angola and Mozambique. (ibid, pgs. 102,107)

Kennedy was even willing to risk relations with a major ally France over the issue of colonialism. In theory, French President DeGaulle had granted many of the former states of the French colonial empire freedom in 1960. But, after analysis, it was clear that DeGaulle planned to keep optimum influence in these states, a process called neocolonialism.

For instance, DeGaulle favored the states that would stay aligned with France with large amounts of aid. Those that decided to go their own way were given paltry sums. So, Kennedy targeted those countries ignored by DeGaulle, giving them more than \$30 million by 1962. (ibid, p. 161) DeGaulle also backed the Belgian lackey Moise Tshombe in the Congo crisis.

Viewing these strategies as a continuation of European imperialism in Africa, Kennedy decided to compete with France, even if it meant weakening his relationship with DeGaulle. As Muelhenbeck notes, in November 1963, Kennedy commissioned a study of methods to compete with France and to formulate countermeasures designed to undermine the French grip in Africa.

Worrying About Laos

Before Eisenhower left office, he had two meetings with President-elect Kennedy. Contrary to what most might think, he did not tell Kennedy that the most looming and important foreign policy area was Vietnam, Congo or Cuba. He told him it was Laos. (Arthur Schlesinger, *A Thousand Days*, p. 163)

Eisenhower and his advisers painted the picture in stark Cold War terms, warning against any kind of coalition government that would include communist representation. The talk got so stark and martial that Kennedy ended up asking how long it would take to put a division of American troops into the area. (ibid)

On Jan. 3, 1961 Eisenhower said that "if the communists establish a strong position in Laos, the West is finished in the whole southeast Asian area." (David Kaiser, *American Tragedy*, p. 32)

As historian David Kaiser later noted, the Eisenhower-Dulles definition of what a communist was often included people who, by objective standards, were actually neutralists. Later on, as Kennedy would show, if properly handled, these neutralists could actually become American allies.

But in the Dulles-Eisenhower Cold War meme as with Egypt's Nasser you were either in the U.S. camp or against it. As Kaiser noted, it was this attitude that had left Indochina in such a highly agitated, militaristic state by the end of Eisenhower's term in office. In fact, Eisenhower had approved war plans for Indochina as early as 1955. (ibid, p. 34)

The Dulles brothers never pursued a diplomatic resolution in Indochina, just as they never pressured France to the bargaining table in Algeria. Fitting their globalist and imperialist views, the Dulles brothers dismissed the idea of rapprochement over both large and small issues. All their energies seemed to be expended in political offensives and plans for war, hence this presentation to Kennedy on Laos.

But Kennedy did not take the advice. He reversed the policy again and parried an attempt to insert American troops by asking for estimates of how many men the North Vietnamese and Chinese could place into this conflict in their neighboring area. The estimates came back at 160,000 men within 30 days. (ibid, p. 40)

On the same day those estimates were returned, at his first press conference, Kennedy stated that he wished to establish in Laos "a peaceful country, an independent country not dominated by either side but concerned with the life of the people within the country." (ibid)

Dissatisfied with the military option, Kennedy then went to the State Department and called upon Ambassador Winthrop Brown, who told the President that the

Laotian army was simply not capable of fighting a civil war on its own. Kennedy asked him what he would propose instead. Brown said he would offer up a neutralist solution with a coalition government, noting that this is what U.S. allies in Europe favored. In fact, the allies thought that this was the only solution, and they felt the communist Pathet Lao should be included. (ibid)

Kennedy, who Isaiah Berlin once called the best listener he ever met, signaled to the Soviets a willingness to arrange a peaceful settlement. Kennedy would use the military option only as a bluff to strengthen his hand at the bargaining table. (ibid, p. 41) Although his military advisers continued to push for the introduction of combat troops, and even the use of atomic weapons, Kennedy continued to brush this advice aside.

In fact, Kennedy gave a press backgrounder where he himself argued against the military option from his 1951 experience with Gullion. Kennedy argued that if the Laotian government fell and the U.S. had to intervene, U.S. troops would likely be opposed by China and the Viet Minh. Kennedy added, "The French had 400,000 men and could not hold. I was in Hanoi in 1951 and saw for myself." (ibid, p. 47)

After telling the Russians to get the Pathet Lao to stop their offensive in May of 1961, a truce was called. A conference was then convened in Geneva to hammer out conditions for a neutral Laos. By July 1962, a new government, including the Pathet Lao, was constructed.

Kennedy later explained his position to rival Richard Nixon: "I just don't think we should get involved in Laos, particularly where we might find ourselves fighting millions of Chinese troops in the jungles. In any event, I don't see how we can make any move in Laos, which is 5,000 miles away, if we don't make a move in Cuba which is only 90 miles away." (Schlesinger, p. 337)

Onward to Vietnam

So, there was a context of anti-colonialism and diplomacy in understanding President Kennedy's resistance to the pressure from his military advisers when they pushed for sending combat troops to Vietnam. As with Laos, Kennedy bucked that advice and never dispatched combat troops, although he increased the number of U.S. military personnel advising the South Vietnamese army from about 900 under Eisenhower to about 16,000 by 1963.

The declassified files of the Assassination Records Review Board further illuminate this story of tension and intrigue over Vietnam policy, first highlighted to the American public by Oliver Stone's 1991 film *JFK*. As it turned out, Kennedy was not just fighting his military advisers on the Vietnam issue.

He was opposed by many of his civilian advisers, too.

In April 1962, Ambassador to India John Kenneth Galbraith volunteered to get a message to North Vietnam through Indian diplomats about a possible truce in return for a phased withdrawal of American forces. Almost everyone at senior levels of the Kennedy administration opposed Galbraith's venture. The one man who liked the idea was Kennedy, who instructed Assistant Secretary of State Averell Harriman to follow up on the proposal.

Apparently, Kennedy did not understand that, although Harriman was in charge of the Laotian talks, he was not in favor of the same solution in Vietnam. Thus, Harriman subverted Kennedy's intentions on this assignment. In the wire to Galbraith, Harriman struck out the wording of the language on de-escalation with a heavy pencil line. It was changed into a threat of American escalation in the war if North Vietnam refused to accept U.S. terms. When Harriman's assistant tried to reword the cable to stay true to Kennedy's intent, Harriman changed it back again. He then simply killed the telegram altogether. (Gareth Porter, *Perils of Dominance*, pgs. 158-59)

In 2005, Galbraith confirmed to *Boston Globe* reporter Bryan Bender that he never received any instructions about his proposal from President Kennedy.

By 1963, as confirmed by Assistant Defense Secretary Roswell Gilpatric and Defense Department analyst John McNaughton, Kennedy had decided that he was going to use Secretary of Defense Robert McNamara as his point man to go ahead and implement a withdrawal from Vietnam. McNamara's instructions to begin planning the withdrawal of U.S. military personnel had been relayed to Saigon in summer 1962.

At a key meeting in Hawaii in May 1963, McNamara was presented with an update on the planning for the withdrawal. He deemed the plans too slow and asked them to be speeded up. (James DiEugenio, *Destiny Betrayed*, pgs. 366-367) But the point was that the plan was in place. Kennedy activated it in October 1963 by signing National Security Action Memorandum 263, stating that the withdrawal would begin in December of 1963 and be completed in 1965.

In other words, Kennedy's plan for a military withdrawal wasn't just some vague notion or, as New York Times executive editor Jill Abramson recently wrote, a belief among his admirers "rooted as much in the romance of 'what might have been' as in the documented record."

In a letter to the New York Times in response to Abramson's JFK article, James K. Galbraith, a professor of government at the Lyndon B. Johnson School of Public Affairs at the University of Texas and son of the late John Kenneth

Galbraith, challenged Abramson's characterization of Kennedy's withdrawal plan.

Galbraith wrote, "The record shows that on Oct. 2 and 5, 1963, President Kennedy issued a formal decision to withdraw American forces from Vietnam. I documented this 10 years ago in Boston Review and Salon, and in 2007 in The New York Review of Books.

"The relevant documents include records of the Secretary of Defense conference in Honolulu in May 1963; tapes and transcripts of the decision meetings in the White House; and a memorandum from Gen. Maxwell Taylor to the Joint Chiefs of Staff, Oct. 4, 1963, which states: 'All planning will be directed towards preparing RVN [South Vietnamese government] forces for the withdrawal of all U.S. special assistance units and personnel by the end of calendar year 1965.'"

Kennedy on Cuba

The last major area of foreign policy that Kennedy was changing was Cuba. After the Missile Crisis in October 1962, Kennedy and Fidel Castro opened up a back channel through three intermediaries: ABC reporter Lisa Howard, State Department employee William Attwood, and French journalist Jean Daniel.

This attempt at secret communication and a détente between the two countries was in high gear in the fall of 1963. In his last message relayed to Castro through Daniel, Kennedy made one of the most candid and bold statements ever to a communist head of state. He said to Castro, "In the matter of the Batista regime, I am in agreement with the first Cuban revolutionaries. That is perfectly clear." (ibid, p. 74)

When Castro got this message, he was overjoyed. He exuberantly told Daniel that Kennedy would go down in history as the greatest president since Abraham Lincoln. Three days later, Castro got the news that Kennedy had been shot. He was thunderstruck. He put down the phone, sat down and repeated over and over, "This is bad news this is bad news this is bad news."

A few moments later, a radio broadcast announced that Kennedy was dead. Castro stood up and said, "Everything is changed, everything is going to change." (ibid, p. 75)

As it turned out, Castro was not just speaking for himself. It's true that Lyndon Johnson did not continue the Cuban back-channel negotiations, and that promising diplomatic attempt died along with Kennedy. But Castro was probably not aware that all the ventures described above were about to change back, more or less, to where they were under Eisenhower.

Kennedy's attempt to withdraw from Vietnam was first stopped, and then reversed

in three months. With NSAM 288, in March 1964, President Johnson signed off on battle plans for a huge air war against North Vietnam. In other words, what Kennedy refused to do for three years, LBJ did in three months. Less than 18 months after Kennedy's death, Johnson inserted combat troops into Vietnam, something Kennedy had never contemplated and specifically rejected eight specific times. This would result in the deaths of over 2 million Vietnamese and 58,000 Americans.

Johnson also reversed Kennedy's policy in Congo. Kennedy had stopped the attempt of Katanga to secede through a UN special military mission. But by 1964, the CIA was unilaterally flying air sorties over the country to stop a leftist rebellion. White-supremacist and right-wing South Africans and Rhodesians were called on to join the Congolese army. The pretext was that the Chinese were fomenting a communist takeover.

This rightward tilt went unabated into 1965. By then, Josef Mobutu had gained complete power. In 1966, he installed himself as military dictator. The enormous mineral wealth of Congo would go to him and his wealthy foreign backers. (ibid, p. 373)

The same thing happened in Indonesia. Without Kennedy's backing of Sukarno, the CIA began plotting a second coup attempt. A Dutch intelligence officer attached to NATO had predicted it less than a year earlier in December 1964. He said Indonesia was about to fall into the hands of the West like a rotten apple. (ibid, p. 375)

The coup began in October 1964 and ended with General Suharto, long known for his willingness to cooperate with colonizing countries like Japan and the Netherlands, becoming the country's leader. Sukarno was placed under house arrest, never to return to power.

Suharto then led one of the bloodiest pogroms in modern history, targeting the PKI, the communist party in Indonesia, but also slaughtering many other Indonesians including ethnic Chinese. The death toll was about 500,000, with many of the victims decapitated and their bodies dumped into rivers.

Like Mobutu, Suharto became a long-ruling dictator (holding power for three decades) and becoming an incredibly wealthy man by selling out his country to foreign businesses. Again, unlike what Kennedy had envisioned, the wealth of Indonesia would not go to its citizens, but to Suharto, his cronies and foreign corporations.

This pattern repeated itself almost everywhere. Africa went back to being neglected. Kennedy's truce in Laos was shattered as the country descended into a

civil war that featured heroin trading by the CIA's Air America fleet. U.S. policy toward the Middle East embraced the Shah of Iran and his oppressive policies, sowing the seeds for the first explosion of Moslem fundamentalism in 1979.

Mideast Blowback

Rather than Kennedy's disdain for the corrupt and repressive Saudi monarchy, that leadership was dubbed "moderate" and given the label "Arab ally." With Saudi Arabia's oil wells and deep pockets, its power and wealth attracted the friendship and loyalty of influential Americans, including the dynastic Bush family and its closely associated Carlyle Group.

Meanwhile, as demonstrated by author Steve Coll and other investigators, the Saudis provided cover and funding for Osama bin Laden and his al-Qaeda terrorists. The fanaticism that Kennedy warned about in 1957 if the United States did not break with European colonialism and neocolonialism came back to inflict destruction on U.S. targets, including attacks on U.S. embassies in Africa and eventually on New York and Washington.

When Kennedy designed his foreign policy, he was very deliberate about his plan to move in a new direction. In 1957, he said the single most important test of America was the way it was going to separate itself from European imperialism. Though Kennedy often talked as a Cold War hardliner during the 1960 campaign and the early days of his presidency he was intent on creating a foreign policy that would shatter the confines of the Cold War.

Before the 1960 convention, Kennedy told adviser Harris Wofford that if Sen. Stuart Symington or Majority Leader Lyndon Johnson was the nominee, "we might as well elect Dulles or Acheson; it would be the same cold-war foreign policy all over again." (Muelhenbeck, p. 37)

Under Secretary of State George Ball amplified this by saying, that after World War II, America was thought of as a status-quo power, while the Soviets were thought of as being on the side of the oppressed and revolution: "The Kennedy Doctrine challenged this approach. If America failed to encourage the young revolutionaries in the new countries, they would inevitably turn toward the Soviet Union. America should therefore, stop trying to sustain traditional societies and ally itself with the side of revolution."

Authors such as Larry Sabato assert that Kennedy left no lasting legacy and that is becoming the chic conventional take on his aborted presidency. What Sabato and these others fail to note is the remarkable changes Kennedy made in the Eisenhower/Dulles imperialist foreign policy in less than three years. They also

ignore how fast the policies were snapped back by the old order operating through the CIA and President Johnson. If you don't note these clear changes, then you can say they did not occur.

But the people Kennedy was aiming his policies at certainly understood what happened on Nov. 22, 1963. In Nairobi, Kenya, over 6,000 people crammed into a cathedral for a memorial service. The peasants of the Yucatan peninsula immediately started planting a Kennedy Memorial garden. Schools in Argentina were named after Kennedy. Nasser sunk into a deep depression and ordered Kennedy's funeral shown four times on Egyptian television.

In the Third World, the public seemed to instantly know what had really happened and what was about to occur. A progressive and humane foreign policy was about to revert back to something oppressive and profit-oriented. A brief three-year glow of hope was ending.

Because of the laziness and corporate orientation of the mainstream media, it has taken many Americans 50 years to figure out what the rest of the world knew instantaneously. And despite today's conventional wisdom obsessing on Kennedy's "shallowness" and "celebrity" the discovery of what Kennedy truly represented to the rest of the world during his "thousand-day" presidency is beginning to register in America.

Jim DiEugenio is a researcher and writer on the assassination of President John F. Kennedy and other mysteries of that era. His most recent book is [Reclaiming Parkland](#).

Where New JFK Evidence Points

Exclusive: Media specials are on tap for the 50th anniversary of John F. Kennedy's murder, but none will explore the troubling new evidence that has been declassified in recent years and that undercuts the Official Story of the Lone Gunman, writes Jim DiEugenio.

By Jim DiEugenio

In late 1991, film director Oliver Stone released *JFK*, his film about the investigation of the murder of President John F. Kennedy by New Orleans District Attorney Jim Garrison. To say the film was controversial does not begin to describe the furor which surrounded its reception. Six months before the film was in theaters, stories began to appear in large newspapers criticizing a film

no one had seen yet.

When the film was finally shown, there was an interesting dichotomy. Whereas most of the film critics liked it, editorials and news stories about the movie attacked it. One critic actually lost her job over a positive review of the film.

But the film did two things relevant to the state of the evidence in the matter of President Kennedy's assassination on Nov. 22, 1963. At the end of his film, Stone had shown a title card saying that the files of the House Select Committee on Assassinations (HSCA) had been classified until the year 2029.

Embarrassed and faced with public outrage Congress held hearings. Many people testified including Stone, and the last chief counsel of the HSCA, Robert Blakey. As a result, the Assassination Records Review Board (ARRB) was created, tasked with finding and releasing all documents held by public and private entities in America concerning the murder of President Kennedy. Eventually, two million pages of classified files were open to the public.

The second thing the film did was arouse the curiosity of many people who were not aware of the evidentiary problems that had haunted the Kennedy case for nearly 30 years. Stone's film was the first time in over a decade that millions of Americans had been exposed to things like the Zapruder film, Oswald's odd relationships with the FBI and CIA, his associations with right-wingers in Dallas and New Orleans, the investigative failings of the Warren Commission, the problems with the autopsy of President Kennedy, and much, much more.

These new people who were drawn into the case had fresh perspectives to offer and new insights. Between the newly declassified documents and this new generation of writers, the information base about both Kennedy and his murder grew exponentially in a relatively short time.

But this week's 50th anniversary of President Kennedy's assassination will be marked almost entirely by television specials that will be silent about this new and plentiful information, which alters the calculus of the Kennedy case. That is because, despite the uproar created by Stone's film, the defenders of the Warren Commission's narrative circled the wagons and protected the Establishment's preferred solution to the assassination that Lee Harvey Oswald acted alone.

Why Oswald?

There always was an attractiveness to the Oswald-did-it storyline. It is the simplest explanation, a lone gunman acting out of some personal grievance, ideological fixation or psychological imbalance. No need to explore evidence of

a larger conspiracy. No need to integrate Kennedy's murder into the historic developments that his presidency represented.

Thus, many influential people from officials involved in the original investigation defending their judgments to a later generation of authors burnishing their reputations for probity have fought fiercely to defend the Oswald-acted-alone narrative. They have done so despite nagging evidentiary problems, such as the "magic bullet theory," which attributed the multiple wounds to Kennedy's neck and Texas Gov. John Connally's chest, wrist and thigh to a single bullet found almost unscathed on a gurney at Parkland Hospital, and those troubling images from the Zapruder film showing Kennedy's head being knocked backward by the fatal shot, although Oswald was behind him at the Texas Bookstore Depository.

Most importantly, Gerald Posner's book, *Case Closed*, which was published before the ARRB was even set up, was used to close the door on further inquiry by pronouncing Oswald guilty again. Yet, Posner's book did not include any of the intriguing documents the ARRB declassified. Neither did it include the results of the ARRB special investigation into the medical evidence launched by chief counsel Jeremy Gunn.

After Posner's book, there seemed to be something of an informal agreement by the gatekeepers in the media. There would be no programs dedicated to airing the discoveries of the ARRB, despite the fact that the ARRB had unprecedented powers to declassify documents and compel testimony. Because of these combination of factors, the American public was given little exposure to the ARRB material and the revolutionary work of new authors on the Kennedy case, the most infamous American homicide of the Twentieth Century.

Besides the Oswald-acted-alone solution, there have been other proposed narratives that accept the idea of conspiracy but don't directly challenge the institutions of the state. These scenarios acknowledge the likelihood of other conspirators but point the finger at the Mafia or Fidel Castro or some other enemies of America.

But much of the new evidence tends to bolster the narrative advanced by Garrison and by Stone's movie: that the assassination must have involved elements of the U.S. intelligence community working with right-wing operatives who considered Kennedy soft on communism and that a cover-up was put in place by key government figures to prevent an unraveling of these powerful institutions and the erosion of public trust in the authorities.

Who Was Oswald?

Let us begin with the figure of Lee Harvey Oswald. Oswald had been portrayed by the Warren Commission as a lonely, communist sociopath. Although there was never any clear motive put forth by the Warren Commission as to why the alleged assassin killed JFK, it was intimated that it was the net result of the frustrations in his life caused by financial problems, ideological intent, and marital troubles. This is still what most current defenders of the Commission say today.

But one of the most surprising things that the ARRB disclosed was the volume of files on Oswald held by both the CIA and FBI after both agencies had long denied that they had much paper on Oswald. But it was not just the volume of documents, but it was the unexpected direction they pointed.

One of the most curious aspects of Oswald's strange and contradictory life was his military service. One of the things that shocked New Orleans DA Jim Garrison was the fact that, while in the Marines, Oswald took a Russian test. As Garrison writes in his book, the Commission tried to explain this away by stating that he got more questions wrong than right.

But it's obvious that Oswald stuck with learning Russian because when a friend of his arranged a meeting with Rosaleen Quinn, she commented afterwards that Oswald spoke excellent Russian. And Quinn had been privately tutored in advance of a State Department exam. (James DiEugenio, *Destiny Betrayed*, Second Edition, p. 131)

After acquiring fluency in Russian, Oswald then applied for a hardship discharge in order to leave the service early. Even though he had just a few months left to serve, his request was granted and in only 10 days. The HSCA interviewed a person on the board who granted the discharge. Colonel B. J. Kozak testified that it normally took from three to six months to secure such a release. (HSCA interview of Kozak of Aug. 2, 1978)

After Oswald returned from Russia receiving surprisingly little trouble despite his defection he became friendly with the White Russian community in the Dallas/Fort Worth area. He then went to New Orleans in the summer of 1963. Numerous witnesses had testified to seeing him with former FBI agent Guy Banister or at Banister's office at 544 Camp Street.

But in the files declassified by the ARRB there is even more evidence in this regard. In the declassified files of the Church Committee, there is testimony by two federal immigration agents that they were following David Ferrie in 1963 because of his association with Cubans in the country illegally. Wendell Roache and Ron Smith of the Immigration and Naturalization Service stated that they traced Ferrie to Banister's office at 544 Camp Street, and Oswald was there.

(DiEugenio, p. 113)

Further, at least one of the pro-Castro flyers that Oswald was passing out that summer was stamped with the 544 Camp Street address. According to Banister's secretary Delphine Roberts, Banister was aware that Oswald had committed this faux pas, and he was upset about it. The rightwing zealot complained that, "How is it going to look for him to have the same address as me!" (HSCA interview with Roberts, July 6, 1978)

The natural question arises: What would an alleged communist like Oswald be doing using the conservative Banister's office as an address, and also working out of that office? In that regard, one of the most compelling revelations to emerge from the ARRB is that both the FBI and the CIA were running counter-intelligence operations against the Fair Play for Cuba Committee (FPCC) in 1963. This included using electronic surveillance, penetration agents, and agents provocateur against the New York-based organization.

CIA Mystery

In one of the CIA's declassified files on this subject, it was discovered that the men running this counter-intelligence effort at CIA were David Phillips and Jim McCord. (Newman, pgs. 236-41) Phillips's name in this regard is especially fascinating because of his reported meeting with Oswald in August of 1963 at the Southland Center in Dallas by the militant Cuban exile Antonio Veciana.

At that time, according to the Warren Commission, Oswald was about a month away from leaving for Mexico. In addition to not telling the reader about Phillips, McCord and the CIA counter-intelligence program against the FPCC, the Warren Report also did not reveal a memorandum sent from the CIA to the FBI on Sept. 16, 1963, saying the CIA was "giving some consideration to countering the activities" of the FPCC "in foreign countries. CIA is also giving some thought to planting deceptive information which might embarrass the Committee in areas where it does have some support."

Oswald had just embarrassed the FPCC by his tactics in New Orleans. First, by getting into a fight with an anti-Castro activist, being arrested, jailed, and then pleading guilty in court. He then took part in a debate where he was exposed as a former Soviet defector. As author Jim Douglass asks: Did this memo refer to Oswald now going to Mexico? (Douglass, *JFK and the Unspeakable*, p. 179)

One of the notable achievements of the ARRB was the fact that it declassified the HSCA's Mexico City Report, which clearly suggests that there was an imposter masquerading as Oswald at both the Cuban consulate and Russian embassy, the places where Oswald was supposed to have visited while he was supposed to be

there.

The report states that the CIA could produce no pictures of Oswald either entering or leaving either place, although the Agency had multiple cameras facing each doorway. Further, there is a table in the report which shows that the surveillance tapes the Agency says it had of Oswald in both places could not be of Oswald because the man the CIA had on the tapes spoke broken Russian and fluent Spanish. (*Lopez Report*, p. 130) However, witnesses said Oswald spoke fluent Russian and broken Spanish.

When one of the tapes of Oswald was sent to Dallas after Kennedy's assassination and listened to by the FBI agents interviewing Oswald, the agents said the voice was not Oswald's. When FBI Director J. Edgar Hoover was alerted to this, he relayed the information to President Johnson. (FBI Memorandum from Hoover to James Rowley, Nov. 23, 1963)

The FBI Mystery

There are two more declassified connections by the FBI to this important episode. First, a FLASH warning that the FBI had put on Oswald's file, after his defection to the Soviet Union, was taken off while Oswald was in Mexico. Further, it was removed at about the time the Bureau got information that Oswald was allegedly meeting a KGB agent named Valery Kostikov.

This is important, because as both authors John Newman and Jim Douglass note, if the FLASH notice had been in place, it is probable that Oswald would have been placed on the Security Index. That list would have been turned over to the Secret Service, and Oswald would likely have been picked up or surveilled for Kennedy's upcoming trip to Dallas.

Secondly, in a declassified memo discovered by Newman, Hoover had scribbled a handwritten note in the marginalia of a memo. In speaking of cooperation between the CIA and the FBI, the Director wrote that he was doubtful about such endeavors because he could not forget "the false story re Oswald's trip to Mexico" as an example of their double-dealing. Within six weeks of Kennedy's murder, Hoover thought that the CIA was, at the very least, not being forthcoming about Oswald's activities in Mexico City.

Hoover was not alone in this suspicion about a CIA connection to Oswald. At a talk at the Cyril Wecht Symposium in Pittsburgh last month, Dan Hardway, an HSCA investigator who specialized on exploring a possible relationship between Oswald and the CIA, said the House panel prepared two indictments for perjury based on the obstruction of the Mexico City investigation. One was for Phillips; the other was for Anne Goodpasture, who controlled the tape and photo production in

Mexico City.

Hardway has revealed that when he and another HSCA investigator were getting very close to exposing the skullduggery in Mexico City and who was responsible for it, the CIA moved a man name George Johannides into position as a liaison man over them.

As journalist Jefferson Morley has revealed, the CIA lied to Robert Blakey about the appointment of Johannides. The Agency told Blakely that his new liaison had no connection to the Kennedy case, when, in 1963, Johannides was the Chief of the Psychological Warfare Branch at JM/WAVE, the CIA's huge Miami station. One of his specific functions was to monitor and supply the anti-Castro Cuban exile group, Cuban Student Directorate, or DRE, which was in contact with Oswald that summer. Carlos Bringuier, the man who got into a physical altercation with Oswald on a city street in New Orleans, was a member of the local branch of the DRE.

Angleton's Connection

A similar maneuver occurred during the Warren Commission investigation, when the original CIA liaison to the Warren Commission, John Whitten, was replaced by James Angleton, the CIA's counter-intelligence chief whose office handled (or mishandled) the original reporting about Oswald's defection to the Soviet Union.

When reports came in about Oswald entering the American embassy in Moscow and asking to renounce his citizenship, the information went to the various intelligence repositories in Washington. The FBI issued a FLASH warning to be placed on Oswald if he tried to reenter the country under a false name. After all, the possibility existed that the KGB could have turned him into a spy.

However, at the CIA, the information about Oswald was not acted on immediately or with the normal protocol. A routine 201 form, which catalogues anyone of interest to the Agency, was not filled out on Oswald at that time. Nor did the information go to the Soviet Russia division. Instead, the Oswald notice was funneled to James Angleton's super-secret, CI/SIG unit, a protective agency that was supposed to be on guard against penetration agents but has been connected to some of the CIA's most convoluted deep-cover operations, sometimes called "the wilderness of mirrors." (John Newman, *Oswald and the CIA*, p. 27)

Besides Angleton's influence over what CIA files would be made available to the Warren Commission, one of its seven members was former CIA Director Allen Dulles, whom President Kennedy had replaced as director after the Bay of Pigs fiasco in 1961.

So, it is clear today that the idea the CIA had no intelligence interest in

Oswald in the months leading up to Kennedy's murder has been disproven. In fact, Newman uncovered a CIA memo in the Soviet Russia division which reads, "It was partly out of curiosity to learn if Oswald's wife would actually accompany him to our country, partly out of interest in Oswald's own experiences in the USSR, that we showed operational intelligence interest in the Harvey [Oswald] Story."

The Autopsy Mystery

Another one of the myths circulated by the Warren Commission was that they did not have the actual autopsy exhibits because the Kennedy family would not allow them to access the material. This was a pretense exposed by the declassification of the Commission's Jan. 21, 1964 executive session hearing. In that transcript, Commissioner John McCloy asked Chief Counsel Lee Rankin if they had the raw materials of the autopsy, and Rankin replied that they did.

In a transcript from the next session on Jan. 27, Rankin talked about actually *seeing* an autopsy picture and wondering how the bullet could exit Kennedy's throat from an entrance point that low in the back. Rankin's puzzlement about the back wound segues neatly into one piece of information that the ARRB did manage to get into the mainstream U.S. media, namely that Commissioner Gerald Ford changed the draft of the Warren Report to move the location of this back wound that so puzzled Rankin up into Kennedy's neck.

This all too revealing alteration was exposed when Rankin's son donated an earlier draft of the Warren Report to the ARRB. As Commission historian Gerald McKnight notes in his book *Breach of Trust*, this revision brought the back wound into "line with the Commission's no-conspiracy conclusion, repositioning it to make it consistent with what came to be called, the single-bullet theory." (McKnight, pgs. 171-172)

With the knowledge today that the Commission secretly did have the autopsy photos, this act seems even worse. Because, later on, when the photos were finally revealed to the public, it is clear that the wound was in the back, and not in Kennedy's neck. Ford appears to have done this simply to make the Commission's official verdict more palatable to the public, because if the shot was fired from over 60 feet up, from the sixth floor of the Texas School Book Depository, how could the bullet hit Kennedy in the back and exit at a higher point if it only went through soft tissue?

We now know that this questionable proposition was not even credible inside the Commission itself. The Commission was presented with evidence of three shells being recovered from the so-called sniper's nest on the sixth floor of the Texas School Book Depository. So, to make Oswald the lone assassin, only three bullets had to be responsible for all the wounds to all the victims in Dealey Plaza.

The Commission said bystander James Tague, standing on Commerce Street, was hit by a missed shot, and one shot fatally wounded Kennedy by striking him in the head. Which left one shot to do the rest of the damage. And it was quite a lot of damage: seven wounds and two smashed bones in Kennedy and Governor Connally who was sitting in the limousine in front of the President. Those seven wounds with one shot represent the trajectory of what has come to be known as the Magic Bullet.

Rolling Russell

When the Warren Commission verdict was formally announced in the fall of 1964, one of the reasons it appeared authoritative was that it was presented as being unanimous. Seven storied public figures had agreed on each and every aspect of the case against Oswald. Today we know that this was not true.

The best evidence demonstrating its falsity is the Commission's treatment of Sen. Richard Russell, D-Georgia. For a master's thesis produced under McKnight's guidance in 2002, Dani E. Biancolli went through the Russell archive at the University of Georgia.

Almost from the beginning, Russell had problems with the way the Commission was doing business. For instance, Russell was puzzled that the FBI report did not allow for the single-bullet theory. It stated that two separate shots hit Kennedy and one hit Connally. If that is not confusing enough, when the CIA analyzed the Zapruder film, they decided there were two assassins. (McKnight, p. 6)

Russell was not satisfied by the hastily assembled FBI report. He also objected to the fact that Hoover was leaking its findings to the press, making it difficult for the Commission to maintain its independence in the face of public perceptions. Being an experienced trial lawyer, he also began to notice that the Commission was not notifying him when important witnesses would be testifying, e.g. Oswald's brother, Robert. (Biancolli, p. 46)

Russell also noted that the CIA was giving certain members of the Commission more information than others. Troubled by the overall proceedings, Russell wrote a memo to himself which began with the phrase, "Something strange is happening." He then noted that the Commission was only going to consider Oswald as the assassin. To lawyer Russell, this was "an untenable position." (ibid, p. 47) Russell was so disturbed by the way the Commission was progressing that he actually composed a letter of resignation to President Lyndon Johnson.

Russell took the step of drafting an official dissent to the Warren Report. And he wanted the report to contain his reservations about the Magic Bullet. (ibid,

p. 63) Aware of this, the more active members of the Commission Gerald Ford, Allen Dulles, John McCloy and chief counsel Lee Rankin tricked Russell. They had discontinued their dealings with their stenography service prior to the final meeting where Russell was to present his dissent. But they did have a secretary in the room to create the pretense that a full transcript was being recorded. (ibid, p. 65) No such thing occurred.

Russell was so effective in his presentation at this meeting that he was joined in the effort by Sen. John Sherman Cooper, R-Kentucky, and to a lesser extent by Rep. Hale Boggs, D-Louisiana. But Russell's eloquent dissent was not recorded in the transcript. In fact, there really is no transcript of this Sept. 18, 1964 meeting. (ibid, pgs. 63-64) With no transcript available, none of Russell's objections made it into the Warren Report. Thus, the false veneer of a unanimous Commission was maintained.

Further showing how compromised the Warren Commission was, it is clear today that the Commission demanded little respect from the intelligence agencies supplying it with information. For instance, as ARRB employee Doug Horne discovered, Commission counsel Arlen Specter requested the Secret Service produce any tapes of the Nov. 22 press conference by the doctors at Parkland Hospital. Even though they had a recording, the Secret Service failed to turn it over to the Commission. Perhaps because during the interview, Dr. Malcolm Perry said three times that the wound to Kennedy's throat was one of entrance. If that were true, Oswald could not have caused it.

The CIA also sent the Commission very limited information about Oswald's alleged trip to Mexico City. For instance, the CIA did not send any information to the Commission about any of the phone taps they had at the Cuban or Russian embassies. And there is no evidence that the Commission ever knew who did the translation for the intercepts of incoming phone calls.

Further, the Commission never interviewed Silvia Duran, the receptionist at the Cuban consulate, the person who had the most contact with Oswald. Because of these failings, the information in the Warren Report about Oswald in Mexico City, which many people today see as crucial, is so skimpy as to be almost useless.

Hesitant Investigators

As the Russell incident indicates, it's clear today that the Warren Commission was a reluctant investigative body from the start. This began with the technique President Johnson used to get Earl Warren to serve as chairman, something Warren did not want to do. LBJ told Warren that because of Oswald's visits to the Russian and Cuban consulates, there was a danger of nuclear confrontation with

the Soviet Union and Cuba and the possible deaths of 40 million Americans in a matter of minutes.

Johnson later said Warren teared up at this suggestion, and Warren mentioned Johnson's warning at his first staff meeting. The danger of a freewheeling investigation clearly had an impact on many of the investigators who came to see their job as tamping down suspicions of a larger conspiracy, rather than following the facts wherever they might lead. When Wesley Liebeler met with witness Sylvia Odio in Dallas, he told her that they had orders from Warren that if they came across any evidence of conspiracy they were to shove it under the rug. (Odio interview with Church Committee, Jan. 16, 1976)

What makes this so regrettable today is that there is no audio or photographic evidence that Oswald was at either the Russian or Cuban offices in Mexico City. The descriptions of a short, blonde man suggest an imposter. Hoover also felt that the CIA had given him a cover story. This declassified evidence in the *Lopez Report* leaves the question: Was the specter of a nuclear war used as a pretext to stop any real investigation?

Another crucial piece of evidence that was revived by the ARRB was this: There appears to have been an unsuccessful attempt to kill Kennedy in Chicago just three weeks before the successful one in Dallas. In November 1975, journalist Edwin Black wrote a long and detailed essay on this aborted plot for the *Chicago Independent*, a paper with a small and local circulation. Soon, this milestone essay was more or less forgotten, but the HSCA secured a copy of it.

Because of its recirculation, other writers have done more work on the subject. One of the most disturbing aspects of the Chicago attempt is that the outline of the plot is eerily similar to what happened in Dallas, down to the apparent fall guy. Three men who appeared to be Cubans were going to kill Kennedy in a rifle ambush as he exited off a freeway ramp in front of a tall building.

The man who was supposed to be accused of the crime was Thomas Vallee. Like Oswald, Valle was a former Marine who was stationed at a U-2 base in Japan. Vallee supposedly was resentful toward Kennedy because of the Bay of Pigs disaster. Curiously, the codename of the FBI informant who tipped off the Secret Service was "Lee." The existence of a prior assassination plot with parallels to Kennedy's killing in Dallas would seem to be relevant if one were exploring a wider conspiracy, but there was not one word about this episode in the Warren Report.

Medical Evidence

Some of the most startling new evidence in the JFK case from the declassified

files relates to the ARRB's medical investigation and from new doctors who have entered the JFK field. For instance, Dr. Gary Aguilar has collated the interviews done by HSCA investigators Andy Purdy and Mark Flanagan about the wounds to President Kennedy as seen by the witnesses at Bethesda Medical Center, the hospital where Kennedy's autopsy was done after his body was returned to Washington.

The HSCA report said there was a discrepancy between what the medical staffers at Parkland Hospital in Dallas saw and what the staffers at Bethesda saw. Witnesses at the former, where Kennedy was rushed after the shooting, said they saw a large, avulsive hole in the rear of Kennedy's skull. This would strongly indicate a shot from the front. Yet the HSCA Report said that the witnesses at Bethesda did not see this wound.

It turns out this was false. When Aguilar went through all the declassified reports from the Bethesda witnesses, they agreed that there was a large avulsive hole in the rear of Kennedy's skull. Aguilar has a table of over 40 witnesses in two locations who are now on the record as saying they saw this wound. The odds of that many trained medical personnel being wrong are, needless to say, very high. Yet, it remains unclear who at the HSCA was responsible for the deception.

As contradictory to the single-gunman theory as the ARRB-revealed medical evidence seems to be, the present state of the ballistics evidence is probably moreso. Broadly speaking, this consists of the ammunition, the rifle, and the crime scene.

Let us begin with new revelations about the so-called Magic Bullet. When Gary Aguilar was going through the declassified FBI files pertaining to the identification of that exhibit formally called CE 399 he was puzzled by the lack of actual FBI field reports in the file, so-called "302" reports on witness interviews.

What initially spurred his interest in this matter was the 1967 interview that author Josiah Thompson conducted with O. P. Wright, the security director at Parkland Hospital. When Thompson showed Wright a photo of CE 399, he denied that it was the bullet he gave to the Secret Service. CE 399 is a round-nosed, military jacketed, copper-coated bullet. Wright said he turned over a lead-colored, sharp-nosed, hunting round. (Thompson, *Six Seconds in Dallas*, p. 175)

Yet, in the declassified file, Aguilar could find no 302 where anything like Wright's definitive response to Thompson was recorded. Or a 302 in which Wright said that CE 399 resembled the bullet he found the day of the assassination. Yet, the FBI was supposed to have shown CE 399 to Wright to confirm the identification of the Magic Bullet as what was turned over at Parkland Hospital.

But there was only a summary memorandum confirming that ID.

Though the ARRB told Aguilar that they had exhausted that particular FBI file, there was a clue for further inquiry. In the summary memo, the FBI agent who supposedly showed the exhibit to Wright was identified as Bardwell Odum. In November 2001, Aguilar and Thompson visited the retired agent who told his interviewers that he never took any bullet around to show to any Parkland witnesses and since he knew Wright well, he would have recalled the interview.

Further, if that event had happened, Odum would have had to file a 302. Aguilar had studied the report file in sequential order and none were missing, indicating that Odum never filed a 302 presumably because he never showed the bullet to Wright.

The FBI's Fiddling

But why would the FBI have fiddled with the evidence relating to the chain of custody for the Magic Bullet? One obvious answer would be that FBI Director Hoover understood how important it was to remove any doubts that Oswald was the lone gunman.

After the declassification process was complete, researcher John Hunt petitioned the National Archives to examine the FBI's own data in order to determine if CE 399 actually arrived at FBI headquarters when the Bureau said it did and if it was carried there by agent Elmer Lee Todd as Hoover said it was. As basic to an investigation as trail of evidence is, this was not done by either the Warren Commission or the HSCA.

In a handwritten receipt, Todd noted he got the bullet at the White House from James Rowley of the Secret Service at 8:50 p.m. Hunt then reviewed the work of Robert Frazier who was the technician who booked and analyzed firearms evidence on the JFK case that day. In Frazier's chronicle, entitled appropriately enough, "History of Evidence," Frazier wrote that he received the bullet from Todd at 7:30 p.m. In another document entitled "Laboratory Work Sheet," Frazier wrote this again and described the exhibit as "Bullet from Stretcher."

The obvious problem was: How could Todd have given CE 399 to Frazier at the FBI lab before he got it from Rowley at the White House? Assuming the contemporaneous documentary record is correct, either the FBI switched the bullet or there was more than one bullet. Either alternative would vitiate the Commission's conclusion about Oswald as the lone gunman.

In Thompson's book he writes that both Todd and Frazier marked the bullet with their initials; this was based on a two-page FBI document inside a Justice Department Report. The FBI needed Todd's initials on the bullet because the

initials of the man who gave the bullet to Rowley, Secret Service agent Richard Johnsen, are not on CE 399. And neither are Rowley's. Todd's initials had to be there to give the chain of possession any validity at all.

Hunt discovered that Todd's initials are not on CE 399, which would mean that the forensic value of the Magic Bullet was worthless. (Hunt's articles can be read here <http://www.jfklancer.com/hunt/mystery.html>, and here <http://www.jfklancer.com/hunt/phantom.htm>).

Miscarriage of Justice

This essay could be twice as long as it is. And it could touch on many other different fields: the efforts of the FBI and CIA to electronically monitor Jim Garrison's office; the FBI concealment of Guy Banister's address of 544 Camp Street from the Warren Commission; the witnesses who saw Oswald, Clay Shaw and David Ferrie in the hamlets of Clinton and Jackson; the testimony of Victoria Adams that Oswald was *not* running down the Depository stairs from the sixth floor after the shooting; the work by Josiah Thompson and Dave Wimp which demonstrates there is no forward movement by Kennedy at frames 312-313 of the Zapruder film, which shows Kennedy going only one way, back and to the left.

These revelations, based largely on the documentary record released by the ARRB, have revolutionized what the evidence tells us about Kennedy's assassination. Based on these documents and other discoveries, the Warren Commission is revealed as a miscarriage of justice and its report a distortion of history, perhaps justified in the minds of some participants as needed to protect the country from the repercussions of a no-holds-barred investigation.

While President Johnson may have raised the specter of a nuclear conflagration in 1963, the later motives for the continuing cover-up and the intensity of the attacks on anyone who has questioned the official version can best be explained by the institutional self-interests of the government agencies that would be implicated in the cover-up or the actual crime.

Along with fierce resistance from the CIA and the FBI, there was the close-minded response to the new evidence from the gatekeepers of the major U.S. news media. Ridiculing authors and investigators who challenged the Warren Commission's findings became something of a litmus test for measuring a journalist's fitness to get a good-paying job in the mainstream press.

But this arrogant behavior by these powerful governmental and media institutions their contempt for an intellectually unconstrained evaluation of the JFK evidence has proved costly in terms of public trust. Polls reveal that the decline in America's faith in government began in 1964, the year the Warren

Report was issued. As the ARRB's former counsel Jeremy Gunn said in a speech at Stanford, with what the ARRB discovered, he would much rather be defending Oswald than prosecuting him.

Despite this new evidence, there are many programs being broadcast this month about both President Kennedy and his murder, e.g. Bill O'Reilly's *Killing Kennedy*. Not a single one will present anywhere near a representative selection of the new evidentiary discoveries made by the ARRB. Yet, this information is crucial to understanding where the United States finds itself today, a country awash in excessive secrecy and growing public distrust.

Another one of the declassified files the records of the Sec/Def meeting of May 1963 revealed that Oliver Stone was correct in another facet of his movie. President Kennedy was planning to withdraw from Vietnam, a decision that if not reversed by President Johnson might have dramatically changed the course of U.S. history.

In the face of this continuing denial of a full accounting of Kennedy's assassination on the 50th anniversary, the public should ask two simple questions: What really happened to President Kennedy in Dealey Plaza? And why the unending resistance from the news media to present the new evidence to the American people?

Jim DiEugenio is a researcher and writer on the assassination of President John F. Kennedy and other mysteries of that era. His most recent book is [Reclaiming Parkland](#).

In Case You Missed...

Some of our special stories in May focused on the Right's racist past, the Republican scandal-mongering, Ronald Reagan's ties to genocide, Barack Obama's defense of drone attacks, and new tensions in the Middle East.

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["The Long Shadow of Auschwitz"](#) by Gary G. Kohls, May 1, 2013.

["Howard Kurtz's Belated Comeuppance"](#) by Robert Parry, May 3, 2013.

["Pushing for War with Syria"](#) by Robert Parry, May 6, 2013.

["The Right's Rebranding, 1860 to 1776"](#) by Robert Parry, May 7, 2013.

["The Spark that Ignited the Vietnam War"](#) by Beverly Deepe Kever, May 8, 2013.

["America's Excessive Nuke Arsenal"](#) by Melvin A. Goodman, May 10, 2013.

["Republican Hypocrisy on Benghazi"](#) by Robert Parry, May 10, 2013.

["Ronald Reagan: Accessory to Genocide"](#) by Robert Parry, May 11, 2013.

["Unleashing Dogs of Aggressive War"](#) by Paul R. Pillar, May 13, 2013.

["WPost Revives Its Plamegate Smear"](#) by Robert Parry, May 13, 2013.

["The Deepening Shame of Guantanamo"](#) by Ray McGovern, May 13, 2013.

["The Right's 'Scandal' Funhouse Mirror"](#) by Robert Parry, May 14, 2013.

["The Real Benghazi Scandal"](#) by Melvin A. Goodman, May 15, 2013.

["The Lost 'Trifecta' of Scandals"](#) by Beverly Bandler, May 16, 2013.

["Boston Suspect's Writing on the Wall"](#) by Ray McGovern, May 17, 2013.

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["Doubting Obama's Resolve to Do Right"](#) by Ray McGovern, May 28, 2013.

["'42' and 44"](#) by Robert Parry, May 29, 2013.

["Ecocide and the Soul of a Nation"](#) by Phil Rockstroh, May 31, 2013.

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