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Red Faces at the 'Journal'?

'CounterSpy' Counterattacks

In a startling admission, the anti-CIA publication, *CounterSpy*, has said that it was behind at least 15 stories on intelligence matters and international economic issues that appeared in the influential *Wall Street Journal* over the last year.

The admission came in the wake of the expose by HUMAN EVENTS of CIA defector Philip Agee's role in a *Journal* story by Jonathan Kwitny attacking the State Department's White Paper on El Salvador, and the revelation by the *Journal's* executive editor, Frederick Taylor, that Kwitny and a deceased colleague, Jerry Landauer, had used John Kelly of *CounterSpy* as a confidential source, too.

Despite the admission that Kelly had been a "longstanding source" of Landauer's on "intelligence matters," we could only identify one story in the *Journal* which apparently derived from this relationship. HUMAN EVENTS reporter Cliff Kincaid noted (Sept. 5, 1981) that a Dec. 3, 1980, Landauer story on a secret World Bank memo on the Philippines had been published on the same day that *CounterSpy* and a Filipino dissident group released the memo at a news conference in Washington. When asked about this at the time, Landauer threatened to sue if he was linked to *CounterSpy*. John Kelly, in an interview with HUMAN EVENTS, refused to say if he gave Landauer the memo.

CounterSpy, however, has now confirmed that it was the source not only of the story about the Philippines, but of stories about South Korea, Indonesia and the CIA. The confirmation came at an October 2 Washington news conference, which had been called to release more "secret" documents on Communist China and the Philippines.

The news conference featured *CounterSpy's* John Kelly and Walden Bello, a member of a dissident Filipino group called the Congress Task Force.

Bello, who said he was not a "member" of *CounterSpy* but was "very sympathetic to the sort of exposes that it has been carrying out," said, "I would like to begin this press conference with a protest. The *Wall Street Journal* [published] on this Tuesday [September 29] a lead, long editorial attacking *CounterSpy*, making it responsible, it

says, for the Kirkland was the conference [ty.]".

"Now they protect the "Unfortunat

tacked one of its major sources of information. The *Wall Street Journal* has been dependent on *CounterSpy* and the Congress Task Force for about 15 to 16 stories over the last year, which detail World Bank-IMF [International Monetary Fund] apprehension over a lot of Third World economies. *CounterSpy* and the Congress Task Force have released to the press the documents on the Philippines, South Korea and Indonesia. And *CounterSpy* has made a number of independent releases on the Central Intelligence Agency."

"Why does the *Wall Street Journal* come out with this attack on one of its sources of information?" Bello asked. "The reason for this," he said, "is that it has been under heavy attack from the right, from HUMAN EVENTS, and this was one way by which the *Journal* was trying to distance itself from one of its sources. Unfortunately, it's too transparent."

Bello added: "We believe the World Bank represents interests very detrimental to the development of Third World countries. This is not, of course, as HUMAN EVENTS might put it, a far-left view." He said this is "in fact a view that is now shared by many people within the World Bank itself—dissident technocrats," who, he said, have been providing the secret documents.

Asked what countries followed his prescription for economic development, Bello cited Chile under the Marxist Salvador Allende. Referring to the overthrow of Allende by a popular coup, Bello said, "What happened in Chile was an effort on the part of the World Bank, the big banks, and the United States to sabotage this process that was going on."

Asked to name other countries that followed his recommendations, Bello said, "Maybe we ought to have other questions. I think you would like me to name the Soviet Union or Cuba. But I certainly think there are other countries aside from the Soviet Union or Cuba or other countries that are tagged 'Red' that are trying to follow independent economic paths." He then named two pro-Marxist, one-party states in Africa, Mozambique and Guinea-Bissau.