

National News

How organized crime used Vicki Morgan

Ongoing investigations by the *EIR* into how Henry Kissinger blackmailed his way to becoming a leading figure in the Reagan administration point to the case of Vicki Morgan being used for sexual entrapment and blackmail of political figures.

Although the late Alfred Bloomingdale, a friend of the Reagan family, has been portrayed as the victim of the call girl Morgan, sources emphasize that Bloomingdale is more accurately described as himself a procurer whose point of control of the political figures was the Freemasonic Bohemian Grove Club, based in California. The Bohemian Club and its Mandalay Lodge members include Kissinger, Secretary of State George Shultz, and FBI Director William Webster.

One of the reasons why someone like Bloomingdale gets involved with a high-priced whore like Morgan is to supply her at well-taped parties, set up on the pretext that she is available. Any politician who attends such parties accepts the condition of being blackmailed, of being "trustworthy."

During her career, Morgan lived with Bernie Cornfeld, the founder of the mob-run Investors Overseas Services (IOS), the funder of the Permindex assassination bureau. Morgan's six-month 1974 tryst with Cornfeld was in the same period she attended orgies with Bloomingdale—a possible opportunity for making the video tapes being used to blackmail the Reagan administration.

A former leader of the Young People's Socialist League (YPSL), Cornfeld was laundered into organized crime, while still maintaining ties to the Socialist International, the Israeli intelligence service, the Mossad, and such Israeli mafia figures as Meshulam Riklis and Robert Vesco's attorney, Kenneth Bialkin, chairman of the Anti-Defamation League.

According to well-informed sources, the group that controlled Morgan was a ring of Hollywood mob-linked figures led by Max Palevsky. The former chairman of Xerox, Palevsky is a funder of the Democratic Party circles around Charles Manatt, the DNC chairman whose law firm has had a business partnership with Soviet spymaster Dzerzh-

man Gvishiani. A founder of the pro-drug lobby NORML, Palevsky is viewed by intelligence analysts as one of the KGB's main agents in the United States.

Bohemian Grove annual Masonic rite begins

The annual Scottish Rite Masonic ritual at Bohemian Grove got underway again in late July north of San Francisco.

Kissinger is reported to be slated to give the "Lakeside Chat" this year. The speech, in times past given by Bohemian Herbert Hoover, is the major speech of the two-week-long yearly Grove gathering.

The sylvan session, which bars females, opened with the "Cremation of Care," a ritual which involves the burning of a red cross, and is meant to create an atmosphere of "total relaxation."

Other speakers at the Grove this year include: World Bank president A.W. Clausen, speaking on "The Global Economy"; Walter Cronkite, on "Misspent Youth"; Adm. Robert Foley, on "World Naval Power"; John Lenczowsky, National Security Council specialist on U.S.-Soviet affairs; and John Gardner.

Among those scheduled to attend are Joseph Baird of Sovietophile Armand Hammer's Occidental Petroleum, Defense Secretary Caspar Weinberger, National Security Advisor William Clark, and Navy Secretary John Lehman.

Court adds racial tensions to Boston

A federal judge has barred the upcoming elections in Boston for city council and school committee on the grounds that the districting plan submitted by the Council violates the principle of "one man, one vote." As a result, retiring Mayor Kevin White and the council have forwarded a resolution to the state legislature seeking to postpone the Sept. 27 primary to sometime in October, and the November election to Dec. 13.

Judge Andrew Caffrey ruled July 26 that the council's districting plan is not based on

the 1980 census and that the largest and smallest districts vary in size by 23.6 percent, thus violating the "one-man, one-vote" provision of the Voting Rights Act. The ruling came on a suit filed by minority community groups, who alleged that they were being gerrymandered out of chances of getting minority representation. But the ruling will only further the balkanization and destruction of the city, as well as intensify the racial divisions being fostered by Boston's Brahmins, many of whose family fortunes were made in the opium trade with China in the 19th century.

The council's current district plan already goes a long way to destroying what is left of the old Irish/Catholic Democratic machine that has dominated Boston politics. Until this election, Boston has had only at-large officials on the city council and school committee. Any districting will knock out several of these officials, who will likely be replaced by minority activists controlled by the Brahmins, Harvard University, and the Harriman-Kennedy Democrats.

The case was brought by organizations associated with the committee for black "radical" mayoral candidate Mel King, including such CPUSA front groups as the U.S. branch of the World Peace Council. The decision also feeds into the provocative environment being created just days before a visit by Harold Washington, the mayor of Chicago who has whipped up racial tensions.

In one development which may serve to counter the increasing racial tension, the *Boston Globe's* lead editorial July 26 called for Democratic mayoral candidate Michael Gelber, who is supported by the National Democratic Policy Committee (NDPC), and one other to be included in the televised debates sponsored by the League of Women Voters and Chamber of Commerce.

Two days before the *Globe* ran a front-page article demanding that Gelber be excluded from the debate on the grounds that his attacks on Averell Harriman and his associates were not addressing local issues, and that Gelber was too "articulate" to be allowed to present the program of the NDPC for ending the international depression to the Boston electorate.

Gelber has outlined the means for solving Boston's financial woes, restoring services, and providing productive jobs with NDPC adviser Lyndon LaRouche's Operation Juárez program to enact a moratorium

on the unpayable international debt and restart trade and development projects with the Third World. This program could lessen the appeal of racialists' demands for "fair shares" of a collapsing economy.

Court puts Washington Power in default

The Washington Public Power Supply System (WPPSS) went into default on the \$2.25 billion in bonds WPPSS floated to finance building two of its five proposed nuclear plants, following a ruling on July 21 by the Washington State Supreme Court. The default, the largest municipal bond default in history, puts the future of the entire nuclear and fossil fuel power industry in jeopardy.

The court refused a request to overrule the decision handed down June 15 which said that the 88 utilities that purchase electricity from the WPPSS system are not obligated to pay interest and principal on the bonds after the plants had been canceled by WPPSS due to huge cost overruns. WPPSS serves Washington, Oregon, Idaho, and Montana.

Chemical Bank of New York, trustee for the bonds, will begin the default process, according to vice-president John Fleming, by serving a 90-day notice that WPPSS must pay about \$75 million in overdue interest payments by Oct. 22. Otherwise, Chemical will declare the WPPSS system in default to get the principal and interest paid back immediately. While it pursues the default ruling, Chemical has said it will appeal the ruling to the U.S. Supreme Court.

To try to reassure the bank's own officers about the effect of the WPPSS default, Chemical senior vice-president Kenneth L. Dowd, Jr., issued an internal memorandum July 27 which stated, "It is also important to note that Chemical Bank does not hold WPPSS bonds in the bank's Municipal Portfolio, nor does it hold any WPPSS bonds in any discretionary investment advisory accounts. . . ."

The Natural Resources Defense Council, which helped orchestrate the WPPSS ruling, has announced that if WPPSS defaults, "not another nuclear plant will be built in this country. The nuclear industry is finished." This ruling will also be used, the

NRDC indicated to end construction of coal- and nuclear-fired electricity generating plants, posing the threat of an electricity blackout by early 1984.

LaRouche Democrat upsets Chicago scenario

The Jones for Congress campaign defeated an attempt July 26 to install Lu Palmer, a front-man for Libyan/KGB operations in the United States connected to the race-war promoters based in Chicago, as the congressional representative for District 1 on Chicago's South Side. Despite massive computer-run fraud in the Democratic primary, in which National Democratic Policy Committee (NDPC)-supported Sheila Jones was credited with little more than 150 votes—about the size of her staff at the polls—Palmer lost the race by an unexpected 10 percent.

Five days before election day, Jones issued a leaflet identifying "Libyan Lu" Palmer as an asset of the Soviet KGB. Observers noted that three days later supporters of Nation of Islam Minister Louis Farrakhan were seen distributing literature for Palmer together with a newspaper praising Muammar Qaddafi.

The winner, Meatcutters Union vice-president Charlie Hayes, is a known asset of the Communist Party USA and has been an organizer for Trade Unionists For Action and Democracy, a CPUSA front group.

Hayes advocates a nuclear freeze and public works projects to solve Chicago's unemployment. He was credited with more than 40 percent of the vote, Palmer with 25 percent, Anti-Defamation League figure Al Raby with 10 percent, and all others with 1 to 4 percent. Jones estimates 10 to 15 percent of the votes disappeared at the polls.

The day before the election, the administration of Mayor Harold Washington announced its first round of municipal layoffs in the city, which has been politically paralyzed since Washington became mayor. At the campaign's close, Jones said, "The issue that I think faces people in Chicago is: Are they smart enough to dump Harold 'Herbert Hoover' Washington and the agents in charge of this city's depopulation, and elect me or my NDPC slate so that they can survive?"

Briefly

● **THE FBI** has conducted only 428 investigations under the 1978 Protection of Children Against Sexual Exploitation Act as of last year. Yet law enforcement officials quoted in the April *Ladies Home Journal* reported that more than 1 million U.S. children yearly have become victims of the billion-dollar child pornography racket. As of April last year, the FBI investigations had resulted in only 33 indictments and 23 convictions. Most of the children exploited by the perversion for profit business are runaways or kidnap victims.

● **PATRIARCH PIMEN OF Moscow** and all Russia, agreed to be interviewed on U.S. national television on condition that he be allowed to talk about the peace movement his church and the KGB support. On July 24 Pimen was on NBC—the network for which Henry Kissinger is a paid consultant—in the second of a two-part series promoted by the World Council of Churches. Pimen recently gained notoriety as the first high-ranking Russian official to attack the American policy of defensive strategic beam weapons. Asked to elaborate his thoughts on the "peace" campaign, Pimen said, "I wish for peace, peace, much peace and all over peace."

● **AVERELL HARRIMAN** wrote in the *New York Times* July 24 that the "structure of progress . . . is imperiled," by the spectre of defense beam weapons. He advised to get on "with those matters on which we have the best chance of agreement," in arms control talks with the U.S.S.R. "Small steps, if the only steps feasible, are better than none at all."