

The 'Clockwork Orange' world of Mike Dukakis's Massachusetts

by an EIR Investigative Team

If the definition of a "liberal" is someone who prefers to steal liberally from the poor, rather than from the wealthy, then Mike Dukakis is the classic liberal.

According to a 1987 report issued by the New England News Service at the time that Governor Dukakis first declared his intention to run for President, Mike Dukakis's first election as Massachusetts governor in 1974 may very well have been financed by one of the biggest federal poverty fund ripoffs in history. That ripoff—\$25 million out of a total \$40 million fund for urban housing redevelopment in Boston's poorest neighborhoods—was carried out by a cabal of Harvard and MIT-based "Clockwork Orange" sociologists who to this day make up the inner circle of advisers to Dukakis.

Among the principal players in this tale of social engineers and real estate scam artists run-amok are: the head of the New England chapter of the World Federalists, a Brandeis University sociologist who managed to make a "snuff film" at Massachusetts' state hospital for the criminally insane and then tried to peddle it in commercial movie theaters; a psychiatrist who was caught in perjured testimony at the 1950s trial of State Department "comm-symp" Alger Hiss; the founder of the Law Enforcement Assistance Administration and later Harvard Law School dean who led a radical takeover of the school; and a real estate "developer" who led a movement to ship millions of Americans to Moscow as "peace hostages" to prevent a nuclear war.

Dukakis's 'Great Society'

The story begins back in the late 1960s, when Mike Dukakis was a Massachusetts state representative, when Lyndon Johnson was President, and when federal funds began to flow like monsoon rain into local poverty programs under the "Great Society." At that time, LBJ's undersecretary of Housing and Urban Development, the chief administrator of the Model Cities program, was Massachusetts Institute of Technology professor Robert C. Wood. Wood would sponsor one of Dukakis's political front operations, Massachusetts Tomorrow, Inc., a fanatical no-growth movement that brought together some of the leading Boston Brahmins from "The Vault" financial interests and the community in-

surgency apparatus.

In anticipation of big paybacks for getting in on the ground floor of the poverty slush funds, a collection of Dukakis intimates set up a hermetically sealed infrastructure of housing redevelopment trusts, community-based housing lobbies, and futuristic planning groups—all intimately tied to the Harvard-MIT Joint Center for Urban Studies. Most important, the same crew managed to take control over the entire federal, state, and local government agencies in charge of doling out the funds.

On Dec. 19, 1967, Boston's outgoing liberal mayor, John Collins, on his way to accepting a chair in urban studies at MIT, appointed Paul Parks administrator of Boston's Model Cities Program. By the time Richard Nixon shut off the spigot on Jan. 5, 1973 by declaring a freeze on all further federal low-income housing grants, Parks had disbursed nearly \$40 million. Most of those funds went to an extraordinarily small group of friends of Dukakis. With the funding freeze, HUD auditors moved in to take a final accounting of the "good deeds" done by the federal housing program. By 1975, HUD had concluded that of the \$40 million-odd disbursed, \$25,006,240 was unaccounted for—missing!

The same day that Parks, whom HUD holds personally accountable for the lost funds, was landing his job as Model Cities boss, Mayor Collins named a Harvard economist, Hale Champion, to head the Boston Redevelopment Authority (BRA), the agency responsible for selecting the recipients of the Model Cities bucks. A 1956-57 Nieman Fellow at Harvard, Champion had served as director of finance for California's Hollywood mob-tainted Gov. Pat Brown, before returning to Harvard in 1966 as a Fellow of the Institute of Politics at the Kennedy School of Government. After a brief stint in the Minnesota state government, Champion would return to Boston in 1973 to become vice president for finance of Harvard University. When the Duke announced for President in January 1987, Harvard graciously allowed Champion to take a leave of absence to assume control over Dukakis's State House office.

The lion's share of those missing HUD funds passed into the hands of an interlocking group of companies—all even-

tually grouped under a firm named the North American Development Corporation.

According to investigative editor Wendell H. Woodman of the New England News Service, NADC was formed on July 31, 1969 as a tax-shelter umbrella for a group of real estate trusts, property management companies, and housing reconstruction firms. The founder and vice president of NADC was Howard N. Smith, the man Michael Dukakis appointed secretary of economic affairs in his first administration—despite the fact that he had just succeeded in bringing NADC to the edge of ruin and was quite possibly the principal architect of the looting of the \$25 million in HUD funds. After briefly holding a position in the second Dukakis administration in 1983, Smith became executive director of the Massachusetts Technology Development Corporation, an agency that provides funds to “high-risk” businesses. In the 1970s, Model Cities was the place to be if you were out to snare large chunks of poorly managed federal funds under sweetheart tax arrangements. In the late 1980s, it was high tech.

Under the friendly umbrella of NADC, a string of companies set up shop and spent the better part of the early 1970s playing with HUD Model Cities money. If the bankruptcy courts ever manage to untangle the web of unsecured loans and interlocking directorates, the secret behind the missing \$25 million may one day be solved. In August 1978, NADC and 58 of its subsidiaries filed for bankruptcy and went out of business. Principal among those subsidiaries were:

- Bison Associates, founded in 1964 by two of the Duke’s most loyal backers and campaign finance advisers, David Bird and George Sommaripa. More on Bird later.

- King Bison Realty Trust, founded in March 1985 by the Bison duo along with then-Urban League director Mel King and Ernest Kirwan.

- White Bison Realty Trust, another Bison enterprise, this time in partnership with William J. White, who was conveniently at that time also the executive director of the Massachusetts Housing Finance Agency, one of the prime conduits for housing reconstruction loans.

- King Catawba Bison Realty Trust.

- Habco, a company described as a property management firm serving as the landlord for the buildings rehabilitated by the various NADC fronts. The director of Habco, Richard Giesser, was and still is the grey eminence behind the Duke, having been the chief economic adviser to Dukakis’s 1974 gubernatorial campaign, and holding posts in every Dukakis administration since. According to investigative editor Woodman, Giesser was also listed as executive director of a rather curious entity called Organization for Social and Technological Innovation, Inc. (OSTI).

When Richard Nixon imposed the freeze on new low-income housing funds in 1973, White Bison official and Massachusetts Housing Finance Agency chief William White called the freeze a “crime more immoral than Watergate,” according to author Woodman. And for good reason. The

freeze threw NADC into a near instant bankruptcy crisis that immediately spilled over into the MHFA. By the summer of 1975, newly installed Gov. Mike Dukakis was asking the legislature to authorize an “emergency” MHFA short-term note for \$500 million, admitting that the state agency that should have been self-supporting, was sitting on \$160 million in bad paper, and was itself about to go belly up.

By December, the situation still grave, Dukakis took a delegation of state officials to Washington to plead with Treasury Secretary William Simon for federal guarantees on some of MHFA’s bonds and for an outright federal bailout on other state paper. MHFA chief White stated publicly at the time that, without federal intervention, his agency would go out of business, according to Woodman.

The stench of a massive looting of the state’s anti-poverty funds prompted one state senator, Arthur Lewis, chairman of the Committee on Banks and Banking, to demand a special investigation of MHFA. To preempt that legislative probe, Dukakis launched his own “special investigation” into MHFA-NADC, an investigation that, not surprisingly, went nowhere.

In fact, every one of the culprits in the \$25 million ripoff was, by 1975, sitting in a cushy job in the Dukakis cabinet:

- Howard Smith of NADC was Secretary of Economic Affairs.

- Paul Parks was Secretary of Education.

- Richard Giesser, after running Dukakis’s election campaign and helping the Duke to place all the HUD looters in their cabinet posts, himself took a job as Assistant Secretary of Economic Affairs.

- David W. Davis, whom Hale Champion imported from California and installed as Boston’s budget director while Champion himself ran the Boston Redevelopment Authority, was installed by the Duke as the executive director of the Massachusetts Port Authority. When Champion returned to Boston as vice president for finance at Harvard, Davis moved over to academia to become budget director at Harvard Square.

The ‘Little State House’ on Hanover Street

The role of Smith, Bird, Giesser, and other Duke intimates in the real estate scam that apparently robbed some of Boston’s poorest black citizens of better housing should not convey the false impression that Duke staffed the governor’s office with a collection of common criminals. Behind the ripoff stands a crew of sophisticated social engineers, some with rather exotic international credentials.

Take the case of David Bird of Bison Associates. Bison’s offices in Boston’s historic North End at 145 Hanover Street also house the New England offices of the Citizens’ Exchange Corps, formerly called the Peace Hostage Exchange Foundation, Inc.

According to author Woodman, CEC’s “objective is to ship hundreds of thousands (and eventually millions) of Americans to the Soviet Union to live there and work there

for up to two years, and to accommodate a like number of Russians to live and work in the United States. Their theory is that if Russia and the United States swap a million or so 'peace hostages,' including relatives of high-ranking government officials, they will not bomb each other into the Ever After. CEC is not discouraged by the fact that Mao Tse-tung and the Soviet slave state managed to murder a hundred million of their own nationals as part of their domestic policies. Nor, apparently, do they object to providing jobs for a million KGB agents in the United States."

According to Woodman, a number of the thousands of Russians who came to the United States under the CEC program were graciously provided with employment opportunities by the Commonwealth of Massachusetts government—courtesy of Governor Duke.

Just below Bird's offices at the same 145 Hanover Street address are the U.S. headquarters of the World Federalists. That office is shared by a very important piece of the Dukakis machine, Massachusetts Tomorrow, Inc. The president of Massachusetts Tomorrow, Inc. is David Bird. Among its other principals are:

- Justin Gray, a Cambridge architect who sat on the board of the Massachusetts Housing Finance Agency when the funds were flowing fast and loose into NADC.

- Fred Salvucci, Secretary of Transportation and Construction in the first Duke administration.

- Lewis S.W. Crampton, another former board member of the MHFA who also edited a local Boston counterculture rag called AVATAR.

- David Liederman, chief secretary to Governor Dukakis in 1975.

In 1974, the year that the Duke ran for governor, Massachusetts Tomorrow published a blueprint for the Dukakis administration, offering a "coherent, long-term strategy" for dealing with what the authors proclaimed would be an "age of scarcity." Citing the collapse of Massachusetts' industrial base and its depleted energy reserves, triggered largely by Massachusetts Tomorrow's role in smashing every effort to expand nuclear energy production, the report crowed, "This vulnerability may also encourage us to face the implications of an age of scarcity sooner than other Americans. . . . Instead of meeting the challenge of resource scarcity with programs to increase supply, for example, the new strategy calls for a reordering of society to reduce demand without diminishing social well-being. A strategy of reordering society to reduce demand for increased consumption can start any time, but can only become fully effective over the long term. . . . It also involves some tradeoffs, deliberate sacrifices to achieve specific desired goals."

Psychiatric shock troops

If David Bird's Hanover Street commune, which Dukakis watchers came to refer to as the "Little State House," seems like a weird collection of would-be universal fascists, then

another central piece of the Dukakis organization probably defies description.

According to State House investigative reporter and editor Woodman, public documents, including *Standard and Poors Index* for 1971, show that Richard Giesser, Dukakis's alter ego, was listed as the executive director of the Organization for Social and Technological Innovation, Inc. Incorporated in Massachusetts on Feb. 2, 1966, OSTI drew together some of America's most notorious social psychologists, including one "expert" in the creation and manipulation of synthetic "leaders."

Who were the principals in OSTI? In addition to Giesser, they were:

- Evelyn Murphy, a lecturer on housing policy at MIT, Brandeis University, and the London School of Economics. Murphy was appointed to the powerful position of Secretary of Environmental Affairs in the first Dukakis cabinet, a position from which she played a pivotal role in the crusade against nuclear power. When Duke was elected governor again in 1982, Murphy was (and still remains) his lieutenant governor.

- Dr. Frederick Wiseman, the founder and treasurer of OSTI and a social psychology professor at Brandeis specializing in "poverty." A lawyer and a film-maker, Wiseman had done an elaborate psychological profile study of the infamous mass murderer, Albert DeSalvo, known as the "Boston Strangler." Wiseman's and OSTI's efforts to turn that profile into a full-length movie set off a 20-year controversy that says a great deal about the kinds of radical psychiatric shock troops surrounding Mike Dukakis.

- Dr. Warren Bennis, a longtime fixture at the social psychology laboratory at MIT, who went on to the State University of New York at Buffalo, became the president of the University of Cincinnati, and is now at the University of Southern California. Part of an insurgent psychology movement centered out of the London Tavistock Institute, which hosted a 1967 conference on "The Dialectics of Liberation" attended by American radicals Angela Davis and Stokely Carmichael, Bennis is a key psychological controller of the Duke. This control was evident in a 1985 Bennis profile study called "Leaders: The Strategies for Taking Charge," which prescribed a new model for presidential leadership in an era of "paradigm shifts" and "cataclysmic crises."

- Dr. Carl Binger, a psychologist who was convicted in 1950 of delivering perjured testimony in defense of suspected Communist spy Alger Hiss at the State Department official's trial.

- Don Schon, a member of President Johnson's National Crime Commission. That commission, chaired by Harvard Law School's Dr. James Vorenberg, issued a final report that recommended the creation of a national police apparatus, employing sophisticated domestic counterinsurgency tools. Out of that study emerged the Law Enforcement Assistance Administration.

According to testimony presented before a Special Legislative Commission on Mental Health convened to investigate OSTI, Wiseman and others described OSTI's activities as follows:

"A non-profit consulting firm. . . . We have done work also for people who want to write proposals for your urban renewal. . . . Among other things, we did a report for the National Crime Commission on how their recommendations could be implemented. We worked on Model Cities proposals. We worked on problems of providing more employment in ghettos. We worked on model transportation systems."

OSTI's big splash, however, was an underground hit film called *Titicut Follies*, the outgrowth of Wiseman's original plan to do a documentary on the life of Albert DeSalvo. Blocked by Massachusetts state correctional officials from accessing the "Boston Strangler," then being held at the Bridgewater Correctional Facility for the Criminally Insane, Wiseman pulled strings with the Dukakis crowd to get permission to do a "less controversial" documentary film on the Bridgewater facility itself.

What finally emerged from the film-making project was *Titicut Follies*, a horror show of live electro-shock torture, the administering of literally killer doses of psychotropic drugs, and other heinous crimes straight out of the gulags. Several of the "patients" at Bridgewater who were featured prominently in the film actually died during the period that Wiseman's film crews were running around inside the facility, a fact that Wiseman and company attempted to exploit by putting *Titicut Follies* on the New York commercial cinema market—before Massachusetts government officials went to court to block its public showing.

At least one of Boston's bluebloods thought the film was a great piece of artistic achievement. Dr. James Vorenberg, head of the Criminal Justice Institute at Harvard Law School and the sponsor of the LEAA plan for a nationwide police gestapo, was so enthusiastic about *Titicut* that he arranged for his foundation, the New York City-based New World Foundation, to pour money into OSTI to produce a follow-up documentary.

New World Foundation, which stresses the "avoidance of war" in its grant portfolio, funds such radical causes as the Center for Constitutional Rights of William Kunstler, the American Friends Service Committee (AFSC), La Raza Unida, and the Puerto Rican Legal Defense Fund. Not coincidentally, AFSC was one of the major sources of funds for Boston's radical housing movement that covered for Duke's friends' looting of the Model Cities accounts.

Vorenberg, who shortly after his *Titicut* involvement became the dean of the Harvard Law School, carried his radical politics into the halls of ivy, sponsoring the Critical Legal Studies movement, a cynical universal fascist approach to law that rejects natural and constitutional law in favor of purely socially determined legal practices. This radical "do your own thing" approach to the law produced a cadre of

political activists, including Dr. Susan Estrich, Mike Dukakis's 1988 presidential campaign director.

Packaging a Manchurian Candidate

Back in 1963, a movie, *The Manchurian Candidate*, brought to the screen the chilling reality that behavior modification techniques had been perfected to the point that an individual could be "programmed" to kill. In the case of the film, the assassination target was a presidential candidate. The brainwashers were a team of Russian specialists working in a North Korean prisoner of war camp during the Korean War. The film was yanked from the theaters within days of the assassination of President John F. Kennedy.

Fiction mirrors reality, and in the case of Mike Dukakis, OSTI's top gun, Warren Bennis seems to have been given a special assignment: to mold the Duke as a slightly different brand of "Manchurian candidate," the kind that gets elected.

Bennis, the Tavistock specialist in leadership dynamics, teamed up in 1985 with the head of the University of Southern California Center for Futures Research, Burt Nanus, to develop a synthetic personality profile ideally suited for a presidential candidate presiding over a "paradigm shift" into a fascist "New Age," an ideal post-industrial world. Citing "est" kook-cult founder Werner Erhard and James MacGregor Burns, the driving force behind a move to overturn the U.S. Constitution in favor of a managerial parliamentary government of experts, Bennis and Nanus designed what would emerge during the 1988 primaries as the campaign personality of Dukakis, remake of the severely flawed 1976 Jimmy Carter. In Bennis's own words:

"President Reagan has a flair for reifying abstract topics with experiential references. The first budget message was a sort of masterpiece in that he objectified \$1 trillion by comparing it to the Empire State Building. His ability to express his ideas graphically is a major wielding device.

"Conversely, Jimmy Carter was unimpressive in his ability to communicate, which greatly hampered his rallying power. Ironically, Carter was probably one of the best-informed Presidents since Woodrow Wilson. However, it isn't just information or facts—which can be received as 'info-glut'—it's the form of presentation, the overall meaning. President Carter's intentions were there, but the forms were vague. One of the people interviewed, a cabinet officer and loyal Democrat appointed by Carter, remarked how difficult it had been to work for him because she never knew what he stood for. As she talked about Jimmy Carter, she conjured a beautiful metaphor of her own: 'Working for him was like looking at the wrong side of a tapestry—blurry and indistinct.' "

Lest there be any doubt regarding Bennis's involvement in the "Dukakis project," let it be noted that one of the people he pays tribute to in the introduction to his book is economist Rosabeth Moss Kanter—who just happens to have co-authored Dukakis's only book, called *Creating the Future*.