
The Bronfmans: Part IV

'Golden handshake' with Gorbachov

Scott Thompson examines how Edgar Bronfman profits from his pro-Soviet policies and his curious links to the KGB's "Special Reserve."

Since Mikhail Gorbachov grabbed the reins of power in the U.S.S.R. in 1985, Edgar Bronfman, whose family fortune is based upon bootlegging and prostitution (see Part I), has given speeches, issued press releases, sponsored conferences, and written books to call for the Soviet Union to be given Most Favored Nation trading status and U.S. government-backed credits through the Export-Import Bank. Bronfman, who originally demanded that such favored treatment be linked to Soviet shipments of Jewish "refuseniks" directly to Israel (and nowhere else), now advocates the repeal of the Jackson-Vanik Amendment, which makes granting of such status contingent on palpable improvements in Moscow's abysmal human rights record, simply on the basis of a few months of "good behavior" by the Soviets in permitting more Jews to emigrate, rather than Soviet enactment of an emigration law. In this way, Bronfman is asking Congress to ignore the mounting list of Soviet violations of human rights, such as the SS-style gassing of demonstrators in Georgia, and clear Soviet assertions that they would never reverse the seizure of the Baltic states under secret codicils of the Hitler-Stalin Pact.

In his capacity as president of the World Jewish Congress, Bronfman wrote the following rosy recommendation in the *Washington Post* on July 14: "The Soviets have been saying they want to join the world economy—not destroy it. The President has heard them; he believes we should take them seriously. It's now possible that Soviet foreign economic policy need no longer be viewed as the handmaiden of political expansionism. The President wants to give this view a chance. He deserves our support. . . ."

"As president of the World Jewish Congress, I believe the time has come to do this. Furthermore, it is not too soon to consider the terms of the trade agreement with the U.S.S.R. that Congress will have to approve so the Soviets can actually get Most Favored Nation tariff status. . . . The Jackson-Vanik provisions, with their restrictions on Export-Import Bank credits and guarantees, now 'mask' the provisions of the Stevenson Amendment, which put a specific \$300 million ceiling on Ex-Im credits and guarantees to the Soviet Union. Waiver of Jackson-Vanik would, in effect, make Stevenson 'operative.' Such pointed legislative discrimination toward the U.S.S.R. is not consistent with the President's new ap-

proach. The President should seek its repeal."

Bronfman's essay is merely the economic dimension of a strategic call for what is otherwise known as a "global condominium" among the superpowers, which would overturn the sovereignty of lesser nations in regional conflicts around the world. When he wrote the introduction three years ago to the first book of his East-West Forum, *Gorbachov's Russia and American Foreign Policy*, Bronfman openly espoused this idea, saying: "It is not too difficult to forecast a world increasingly troubled and in need of a system of global management that can be secured only in a condition of cooperation between the superpowers."

The East-West Forum

Bronfman's East-West Forum, which is financed by the Samuel Bronfman Foundation, has already projected beyond the perhaps imminent waiver of the Jackson-Vanik and Stevenson amendments toward a special trade agreement with the U.S.S.R. In line with President Bush's May 12 "peace in our time" speech at the U.S. Naval Academy in Annapolis, Maryland, which was the first policy statement of the Bush administration on East-West relations, Bronfman has called upon Western businesses, investors, foundations, and financial institutions, working with their governments, to "show we are ready to welcome them [the Soviets] to the modern economy," including eventually full membership in the International Monetary Fund (IMF) and General Agreement on Trade and Tariffs (GATT).

James Montgomery, Bronfman's executive director at the Forum, stressed in a recent interview made available to *EIR*, that the basic purpose of the East-West Forum is "political economy," rather than simply steps toward expanding trade and credits to bail out Gorbachov's troubled *perestroika* policies. Expanded trade was the issue during the first round of détente initiated by Henry Kissinger in the 1970s. Now, the situation has moved beyond that phase toward one of seeking to implement President Bush's stated goal at his Annapolis speech, to move "beyond containment" toward "the integration of the Soviet Union into global economic structures." By "political economy," Montgomery said, he means to bring about the structural changes that would make

such integration into GATT, the IMF, etc. possible.

This Bronfman stand taken through the East-West Forum has gained significant adherence, not only because the chairman of the Forum is Serwyn Bialer, who is associated with the prestigious Averell Harriman Institute at Columbia University, but because its work has been praised by such leaders of the Eastern Liberal Establishment as McGeorge Bundy, Henry Kissinger, Zbigniew Brzezinski, William Hyland, and Joseph Nye.

How to profit from being parlor pink

There should be no mistaken thinking that Edgar Bronfman is among the myriad of principled fools who have been duped by Soviet propaganda about building trust and peace with the "liberal" Mikhail Gorbachov, and who might also desire to bailout their Soviet "pal" by financing *perestroika*. Joseph P. Seagrams Ltd. does a brisk business with the Soviet Union in alcohol sales and distribution, while E. I. du Pont de Nemours and Co., in which the Bronfmans are acquiring a majority interest, has been involved in trade with the U.S.S.R. since the time of the Bolshevik Revolution and of Lenin's 1920s New Economic Policy (NEP), whose latter claims of a "retreat from socialism" are similar to the siren song of Gorbachov's *glasnost* and *perestroika* policies today.

The du Pont family was represented on the board of the American International Corp. located at 120 Broadway in New York City. During the 1920s, AIC's officers, such as William Franklin Sands, negotiated secret treaties with the Bolsheviks on behalf of the U.S. State Department, and planned all the major industrial projects of the First Five Year Plan long before Josef Stalin had consolidated power. Today, now that the Bronfmans have taken over E.I. du Pont, the latter has engaged in numerous technology-licensing agreements in the domain of industrial chemical processes that would have a "dual use" for augmenting the Soviet Union's currently decisive strategic superiority.

Those leaning toward delusions of peace in the upcoming period, should recall that the Red Army, led by the faction of Marshal Nikolai Ogarkov, actually originated Gorbachov's *perestroika* policy, starting with the rise to power of Gorbachov's mentor, KGB chief Yuri Andropov. *Perestroika* was never a policy to mirror Western financial institutions, but is aimed at building a modernized Soviet economy with a "leaner and meaner" military wielding weapons systems based upon "new physical principles," such as radio frequency weapons and a variety of laser, particle beam, and other methods to be employed in the Soviet equivalent of the Strategic Defense Initiative.

Under Bronfman control, E.I. du Pont has been negotiating business deals that would assist Gorbachov in delivering the new cycle of weapons production he promised the Red Army. And whiskey baron Edgar Bronfman will make sure that he profits handsomely from turning over the fruits of Western technology to the Soviet Union.

Enter KGB General Pitovranov

Edgar Bronfman sits on the executive committee of the board of directors of the U.S.-U.S.S.R. Trade and Economic Council (USTEC), an institution which has been penetrated by the most important of the KGB's technological espionage operations. Through its membership in USTEC, the E.I. du Pont company has, for example, recently hosted Soviet agents exploring new chemical and petrochemical processes that would decidedly have a dual use to augment Soviet military capabilities, especially in the area of chemical warfare.

USTEC was a product of Henry Kissinger's détente policy of the 1970s, during the time when Kissinger had a hand in bringing the Soviet Union close to achieving first-strike superiority through the SALT Treaty. The process begun by Kissinger and friends resulted in U.S. foreclosure of its ballistic missile defense program under the ABM Treaty, when the Soviets were known to be involved in a crash drive to develop BMD based upon the "new physical principles" of President Ronald Reagan's later SDI program. According to Harvard author Joseph Finder's book *Red Carpet*, the idea for USTEC originated with then Soviet ruler Leonid Brezhnev and Donald Kendall of Pepsico, during Kendall's negotiations with the Soviets. Late in 1972, Kendall conferred about the USTEC idea with David Rockefeller, whose Chase Manhattan Bank had acted as a private Ex-Im Bank, financing trade with the U.S.S.R. ever since Lenin's New Economic Policy (NEP) days. Present at that meeting was Helmut Sonnenfeldt, whom Kissinger had employed as a special emissary in détente dealings at the National Security Council, and who was later blocked from a post at the Treasury Department because of allegations of espionage for the Soviet Union.

President Nixon seized on the idea as the substance of the 1973 summit, based upon a memorandum from Kendall, and chose the 25 American members of its founding board, while Brezhnev chose 25 Soviet members. On the initial board was Armand Hammer, a friend of Vladimir Lenin and Cheka secret police boss Felix Dzerzhinsky during the original NEP, who is described in U.S. State Department documents at the National Archives as having carried out "secret missions on behalf of the Soviet government." Hammer is today still on the executive committee of USTEC with Edgar Bronfman, with whom he has had multiple dealings (see "In the service of Moscow's interests," *EIR*, Sept. 15, 1989). Shortly after its founding, according to author Finder, the Soviets violated an agreement by making USTEC a front for Soviet espionage, and then Secretary of State George Shultz ordered U.S. counterintelligence to cease trying to stop this illegal Soviet activity.

So vast was the Soviet intelligence agencies' penetration of USTEC that until very recently, Bronfman not only shared membership on its board with Armand Hammer, but also with KGB Lt. Gen. Yevgeny Petrovich Pitovranov, a former personal favorite of Josef Stalin during the bloody purges,

who has used his positions with the U.S.-U.S.S.R. Trade and Economic Council and with the U.S.S.R. Chamber of Commerce and Industry to establish the KGB's ultra-secret "Special Reserve."

As Soviet intelligence expert John Barron wrote in "The KGB's Deepest Secret" appearing in *Reader's Digest* in November 1988: "In diverse disguises, Special Reserve officers are presently hidden in Eastern and Western Europe, North America and Asia, in Moscow's banks, trade offices, and government ministries. Yet, outside the KGB high command

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and a small coterie surrounding Soviet ruler Mikhail Gorbachov, the very existence of the Special Reserve is all but unknown. . . .

"Pitovranov's separate operations, conducted through the Soviet Chamber of Commerce and other trade fronts, have been the most successful of all. By 1977, the KGB had created a Department P (for Pitovranov) just to support him and process the wealth of intelligence he supplied. And to enlarge the scope of his operations, the KGB ultimately made him chairman of the Soviet Chamber of Commerce and Industry. . . . The Soviet chamber's most important foreign outpost remains USTEC in New York. This organization encourages American firms to deal with the Soviets and arranges visits for corporate executives to Moscow, steering them to appropriate Soviet officials; many of these are Pitovranov's spies."

When Pitovranov left USTEC's board following this exposé, the Trade Council was still not clear of the heavy hand of Soviet espionage, according to a paper jointly prepared by the Department of State and the Directorate of Intelligence of the Central Intelligence Agency, entitled "Intelligence Collection in the U.S.S.R. Chamber of Commerce and Industry," which fully corroborates Barron's story. The present Soviet co-chairman of USTEC, who is also a member of its executive committee with Edgar Bronfman, is Vladislav L. Malkevich, who is also the new chairman of the U.S.S.R.

Chamber of Commerce and Industry.

According to the same pamphlet: "Of the approximately 140 officials who have been identified, about a third are known or suspected intelligence officers, of whom a few are GRU (military intelligence) and the rest KGB. . . . KGB use of chamber cover appears to be quite broad. KGB staff officers fill about half of the senior management slots in the chamber's Moscow apparatus and thus are in a position to have considerable policymaking authority. . . . Some of these senior managers have had extensive experience in clandestine operations. KGB officers are found in almost every chamber component. . . . The chamber conducts intelligence operations both at home and overseas. . . .

"Firms whose products are of technological interest to the U.S.S.R. are contacted for information on manufacturing processes and technical specifications. Soviet foreign trade representatives may then follow up on these leads with offers to develop a market for the company's goods in the Soviet Union or simply with offers of cash." Among those areas that the chamber's KGB officer's are known to have tried to ferret out are: "robot technology"; "marine technology, including that dealing with submarines doing deep-sea research"; and, "industrial chemicals" such as those that Edgar Bronfman now has the E.I. du Pont company giving the Soviets under licensing arrangements.

USTEC's latest "Black Book" or "Operating Plan," prepared for Edgar Bronfman and other board members, reveals that in May 1989, "during the Council's Eleventh Annual Meeting, a session on scientific and industrial cooperation was held in the form of four roundtables on chemicals, energy, machine-tool building, and medicine. More than 50 proposals by Soviet organizations on establishing scientific/technological and economic cooperation with U.S. member companies of the Council were given to the American side."

Incredibly, despite the U.S. State Department's public acknowledgement that USTEC's chief Soviet corresponding body is riddled with KGB and GRU agents, its American co-chairman for seven years was C. William Verity, Jr., who became the last commerce secretary in the Reagan administration and who admitted to *EIR* that he had never once assisted U.S. intelligence in countering Soviet espionage through USTEC.

Also, according to USTEC's "Black Book," throughout 1988 "regular and continuous contact was maintained with the National Security Council, the State Department and the Department of Commerce. Commerce Secretary C. William Verity, Jr. participated in the Council's Eleventh Annual Meeting in Moscow, heading a large delegation of government officials that included Undersecretary of State Allen Wallis." In 1989, USTEC pledged, "close and regular liaison will continue to be maintained in the new Bush administration with appropriate cabinet officers and government agencies involved with U.S.-Soviet trade."

The "Black Book" further notes that: "Contact was main-

tained with staff members of the House Ways and Means Trade subcommittee, House Foreign Affairs Subcommittee on Trade, House Agricultural Committee, Senate Banking Committee, Senate Commerce Committee, Senate Finance Committee and Senate Foreign Relations Committee.” It would appear that Edgar Bronfman has been in good company, through the special connection to the KGB and GRU, which his USTEC position has afforded him.

Jewish slaves for Bronfman’s profit

There is one issue that is especially dear to the U.S. businessmen of USTEC and their Soviet counterparts like Malkevich of the KGB-controlled chamber, where Edgar Bronfman has taken the point: the earliest possible waiver of the Jackson-Vanik and Stevenson amendments.

The latest round of deals was exposed by Rowland Evans and Robert Novak in a Jan. 23 syndicated column entitled “Swap Soviet Jews for U.S. Trade.” They revealed that the booze baron had held a secret meeting at his New York City apartment to propose, once again, waiver of Jackson-Vanik provisions, if the Soviets would ship thousands of Jews to become the cannon fodder in the settlements on the occupied territory of the West Bank in Israel.

What made this particular meeting significant was the attendance of Dwayne Andreas, who is both chairman of USTEC and of Archer-Daniels-Midland (a firm that has recently helped fill Soviet grain bins with U.S. taxpayer-subsidized grain), together with James Giffen, the president of USTEC. Giffen, who has gone on record that that he would like to make the Soviet Union an “economic superpower,” subsequently left the trade council to form a small merchant bank, Mercator Corp., which has become the linchpin of the American Trade Consortium—a consortium involving Chevron Oil and other major firms—which has announced plans to invest over \$10 billion in joint ventures in the U.S.S.R. over the next decade. A Dec. 26, 1986 front-page article in the *Wall Street Journal* entitled “Gorbachov’s Pal: Dwayne Andreas Gains an Apparent Position as Kremlin Favorite,” wondered “whether Mr. Andreas is beginning to edge out Armand Hammer, the chairman of Occidental Petroleum Co., as Moscow’s favorite American businessman.”

Reported Evans and Novak: “On the table was this deal. Andreas, Gorbachov’s most intimate American business friend, would persuade the Soviet President to start direct air flights to Israel for Jews, most of whom would rather come here, while the pro-Israel lobby would use its considerable clout to get Congress to repeal or waive the Jackson-Vanik amendment. ‘An ugly deal,’ one former official told us. ‘Jackson-Vanik is a statute with specific provisions. They say nothing about Jews and nothing about Israel.’ ”

This “ugly deal” drew substantial support. Morris Abrams, departing as head of the Conference of Presidents of Major Jewish Organizations to take a post in the Bush administration, was quoted after the meeting in the Israeli newspaper

Yediot Aharonot, saying that the issue “is not an issue of human rights but the redemption of Jews as Jews. They should go to Israel.”

The one stumbling block to this scheme was that even in President Bush’s May 12 “peace in our time” speech, he insisted, as have spokesmen for his administration ever since, that waiver of the Jackson-Vanik provisions must await Soviet codification of a law that permits any or all of the residents in the Soviet “prison house of nations” to emigrate, if they choose, in accordance with the Helsinki Accords. But, when USTEC held its twelfth annual meeting in McLean, Virginia May 15-17, Dwayne Andreas, apparently supported by Edgar Bronfman, announced that the trade council’s position was for immediate waiver, based simply upon Soviet “good behavior” in increasing Jewish “refusenik” emigration over that year alone. While Andreas claimed that USTEC would not violate its tax-exempt status by lobbying for waiver, USTEC’s “Black Book” clearly belies this point through plans for expanded contacts on such issues with institutions in both the executive and congressional branches of government.

And then there is the question of whether Israel would accept such a superpower deal, made over its head. As early as 1985, Bronfman tried to rope Israel into his secret diplomacy with the U.S.S.R., but his actions as a “private foreign emissary” were denounced by then-Israeli Foreign Minister Yitzhak Shamir, who is today prime minister. In pursuit of an alternate route from Moscow, which would assure the refuseniks’ delivery to Israel, rather than the United States where most would prefer to live, Bronfman has visited the U.S.S.R., Israel, Poland, Romania, East Germany, and elsewhere to establish the equivalent of a “sealed transit” to Israel for them. And, it has been suggested that the real reason why his World Jewish Congress mounted its wildly distorted and inflammatory attacks upon Austrian President Kurt Waldheim was that Austria has continued to honor the human rights of Jewish refuseniks by permitting them transit via Austria to the new residence of their choice.

Throughout this process, under Bronfman’s leadership, the World Jewish Congress has upheld the lure, as has USTEC, of lifting the Jackson-Vanik provisions, if such singular transit is arranged, as the *Jerusalem Post* reported on March 26, 1987, after one meeting of Bronfman with Soviet Foreign Minister Eduard Shevardnadze.

This ploy to trade Jewish slaves for lavish business deals has been condemned by prominent Jewish refuseniks, as well as many others in the world Jewish community. After 1987 meetings between Morris Abrams, Edgar Bronfman, and Soviet officials, Russian dissident refusenik Vladimir Slepak said that both “are definitely *persona non grata* in our community.” Slepak told the *Jerusalem Post*: “Abrams’s behavior was awful, but he may have been tricked by the Soviets. But Bronfman wanted to be tricked. After all, he is a businessman, and does very good business with the Soviets.”