

'Hit Men' vs. LaRouche's Fusion Energy Foundation

by Paul Gallagher

A critical case in recent U.S. history, of a vicious attack by what insider-author Perkins calls "economic hit men" against the potential economic and scientific progress of nations, was the 1978-86 war of Wall Street investment banks and their agents against the Fusion Energy Foundation (FEF) of Lyndon LaRouche.

Founded by LaRouche with nuclear scientists and engineers in 1974, by the end of the 1970s the FEF was a broadly influential movement for scientific and technological optimism, at the same time stimulating provocative lines of thermonuclear fusion research through its magazine and journal. Inspiring 100,000 subscribers and members by 1980, FEF was at the center of organizing fusion energy research as both a scientific frontier, and a U.S. national technological objective with the McCormack Fusion Energy Act of 1980. It was leading those American scientists, engineers, entrepreneurs, and teachers determined to revive and spread nuclear fission power technologies despite the organized media-driven fear campaign which followed the March 1979 Three Mile Island accident. And it developed a similar influence in Germany, France, Sweden, Italy, and a number of developing nations.

LaRouche's policy of nuclear power for development and peace in the Third World was the hallmark of the FEF. And the LaRouche objective of a Third World debt moratorium and an International Development Bank to finance such great projects, had been adopted by the Non-Aligned Movement nations at their 1976 Columbo Conference and presented to the UN on their behalf by LaRouche's friend, Guyana's Foreign Minister Dr. Fred Wills.

The scope of the FEF's leading influence from laboratories to legislatures, on university campuses and in the American business community, and among elected officials, can be glimpsed from the major policy conferences it held in each of those years (see box)—along with hundreds of smaller sessions—on nuclear science, technological development, and, from 1977 on, for LaRouche's idea of anti-missile defense based on "new physical principles" which became President Ronald Reagan's Strategic Defense Initiative (SDI).

When the self-described Nuclear Club of Wall Street was formed in meetings of bankers and financiers at the beginning of 1978, its major objective was to destroy the potential for

nuclear power-based economic development around the world, which was then being promoted by statesmen in Europe, Japan, and the developing sector. To accomplish this, however, the Wall St. financiers knew they had to destroy LaRouche's FEF; replace it with tame "pro-fission power" and "pro-fusion power" front-groups which in fact would advocate a moratorium on both; and organize control of nuclear-related companies' credit-lines and finances, to choke off investment in nuclear technologies. The "Club's" policy was to stop nuclear power development, deny it to developing countries, and force a shift back to coal and petrochemical fuels at escalating prices. This was the policy of Lazard Frères banker Felix Rohatyn—then the dictator of New York City's finances and controller of Ted Kennedy's embryonic Presidential campaign—of Bechtel Corp. powers George Shultz and Caspar Weinberger; of Henry Kissinger's just-formed Kissinger Associates consulting firm; of Jimmy Carter's first Energy Secretary James R. Schlesinger; and of much less well-known but very influential investment bank operatives. It could not be done without a Wall Street campaign to destroy LaRouche's powerful FEF.

Members of the Club of 'Hit Men'

The Nuclear Club of Wall Street was launched when a group of New York investment bankers met in the boardroom of the Dreyfus Corporation, under the direction of, among others, Arthur Ross, Sr., a British Intelligence-connected banker whose son was, at the time, a collaborator of LaRouche's movement. The purpose of the meeting, according to participants and published materials, was to create an ostensibly pro-nuclear covert intelligence operation to gain dominant financial control over the borrowing of the American and other nuclear industries, and prevent nuclear expansion especially to the developing sector. Several "Club" members had direct connections to the Mossad and other Israeli interests, and, as *EIR* discovered through investigation, the Club was also involved in conduiting U.S. nuclear secrets to Israel. A full exposé of this was published in LaRouche's *Fusion* magazine in September 1979, after the "Club's" assault against FEF came out into the open.

Ross was perhaps the most senior member, who had served in various covert "financial" British intelligence subversive operations, including a direct connection to Maj. Louis Mortimer Bloomfield's Permindex; he provided access to London and European-based *fondi*.

Also present at the meeting was John Wesley Hanes, Jr., of the textile fortune that bears his name, whose father was a leading operative of the House of Morgan, and an ally of Averell Harriman's banking interests in the British establishment's British American Tobacco Company, whence the family fortune. Hanes, Jr. was deployed into John Foster Dulles' State Department, as liaison with the notorious 5412 Committee, the so-called Special Group that controlled covert operations as a joint White House-Defense-State taskforce.

Eventually, Hanes gained control over all consular appointments and all embassy posting of CIA operatives. At the time of the initial meetings of the "Club," Hanes was the General Partner of Wertheim and Co., an exclusive investment bank then owned by London's Schroeder Bank, and played a key role in the Olin Foundation.

Among the others attending were Henry Simon Bloch, of another of the *fondi* insider banks, Warburg Pincus. The operating chief of the Club was reported to be Marvin Rose, another financier with Israeli connections, who was a director of the Lazard-controlled Allied Chemical; the Club's president was Jeffrey Friedman of Dreyfus; Harold Sherman, reported to be very close to the British Intelligence station chief in New York, was another Club director present, as was Merrill Lynch investment banker Disque Deane; representatives of the Stone & Webster engineering firm and the Brown & Root construction outfit, until then major builders of nuclear plants, were brought in at a later date.

To Stop LaRouche

Nuclear Club of Wall Street meetings were devoted to the topic of sabotaging LaRouche's growing influence among scientists, engineers, and policymakers, and his promotion of nuclear fission and fusion power, especially on a global scale. A major 1978 FEF conference in Pittsburgh was sabotaged in collaboration with Schlesinger's Department of Energy, and

the FBI, forcing speakers to withdraw. In conjunction with the Anti-Defamation League, the "Club" coordinated a series of slander campaigns against the FEF and LaRouche, stating that both were anti-Semitic, or more broadly, that the FEF's campaigns for global nuclear technology development were "too radical," or "Soviet-linked."

In July 1978, the Club launched an explicit "countergang" to the FEF and *Fusion* magazine (which was to gain the second-largest circulation of any science publication in the United States). This countergang was the Society for the Advancement of Fusion Energy (SAFE), which coordinated a media and newsletter slander campaign against the FEF, and (in the post-Three Mile Island hysteria) "for" fusion and against fission power. SAFE was headed by Hanes' friend Alfred Slaner, a Keyser Roth textile firm executive, and Luella LaMer Slaner, who testified in a full-length mink coat to Congressional hearings for "fusion only."

At the same time, slanders against FEF were circulated through the Atomic Industrial Forum (AIF), an industry group of which the Club gained political control. AIF chairman Roger J. Sherman of EBASCO Services Corp. praised the nuclear-wrecking Energy Secretary James Schlesinger as "very pro-nuclear, brilliant," and campaigned against funds for "an unproven and new concept like fusion"—and against the FEF. Sherman exposed who was controlling him by calling for a nuclear moratorium after Three Mile Island—a moratorium which has now lasted for a quarter-century.

Both SAFE and AIF, and the "Club" through its own banking and business channels, intensively slandered LaRouche and FEF through, in particular, the American entrepreneurial business community, seeking to cut off the active and financial support which engineers, executives, scientists, and teachers gave to FEF. Every effort was made to intimidate speakers at FEF's conferences, while the leaders of SAFE and AIF refused demands for a public debate with FEF Executive Director Dr. Morris Levitt.

The campaign of slanders run under the cover of the AIF was carried out by two public relations firms, Hill and Knowlton, and its corporate parent, Ogylvie Mather, headed by the British oligarch David Ogylvie. Ogylvie is a member of the extended British Royal Family, and an active member of the semi-secret Club of the Isles which created and runs the World Wildlife Fund.

For the Nuclear Club, John W. Hanes, Jr. and others were involved in directing the circulation of slanders to key FEF contacts, and in efforts to "recruit" FEF personnel. Among the misinformation it circulated, which gained widespread credence through media friendly to or controlled by the Club, was that fusion was safe while fission was dangerous and had to be stopped. SAFE board members Dr. Heinrich Hora and Dr. Aaron D. Krumbein, both with connections to the Soreq Nuclear Research Institute in Israel, attempted an academic wrecking operation against the FEF's quarterly theoretical journal, the *International Journal of Fusion Energy*.

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As *Fusion* showed in its September 1979 exposé, the Nuclear Club of Wall Street also tried to organize an assassination attempt against Lyndon LaRouche himself, bringing into the country for the purpose a Mossad operative named Zwi Aldoubi.

‘Technological Apartheid’

LaRouche’s FEF came through the battle with the Nuclear Club of Wall Street, and was the scientific vehicle through which LaRouche’s idea of relativistic beam-weapons anti-missile defense, as the alternative to Mutual and Assured Destruction, became influential until its 1982-83 adoption as President Ronald Reagan’s SDI. After March 1983, FEF conferences explained SDI to international audiences of military and scientific professionals, and brought them into cooperation with it. Wall Street “hit men” John Train, Ross, and others organized media and financial networks—including Henry Kissinger—to demand prosecu-

tions of LaRouche and the FEF. They got them, under the direction of U.S. Assistant Attorney General William Weld, the scion of one of their group of investment banking families.

The policy of the Wall Street “hit men” was carried out. The “back-to-coal” energy policy of Felix Rohatyn and James Schlesinger completely supplanted nuclear power from 1980-95, leaving the hills of America’s coal basins torn and bare, and the U.S. railroad grid groaning and breaking down under the vast loads of coal. Later, hyperexpensive natural gas took over. More important, the United States ceased entirely to be the “Atoms for Peace” nuclear-technology exporter it had been, and adopted the policy of “technological apartheid” against the developing nations, leaving them to become the Third World “emerging and submerging markets” of today’s global economic breakdown.

This article was researched by Lonnie Wolfe and Marsha Freeman.

FEF Led Nuclear Science, Development Battle

A partial listing of major Fusion Energy Foundation Conferences in the United States, 1977-85. Speakers included Congressional and other elected officials, business and trade union leaders, scientists from National Laboratories and universities, and leading military figures of several nations in the 1985 international conferences on the Strategic Defense Initiative.

1977

The Transition to Fusion Power	Boston
Energy and High Technology Production	Princeton
Energy and Technology Development	New York
Nonlinearity and Biological Sciences	New York
Solving the Energy Crisis	Chicago
Energy and Technological Development	Pittsburgh
Solving the Energy and Water Crisis	Los Angeles

1978

Middle East Peace & Economic Development	New York
Industrial Dev. of Southern Africa	Washington
Energy and Jobs in Expanding Economy	Detroit
Rebuild New York, Expand International Trade	New York
A U.S. High-Technology Energy Policy	Pittsburgh

1979

Energy Crisis—Economics & Politics	Lansing
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1980

High-Tech Policy for Reindustrialization	Los Angeles
Rebuilding America’s Industrial Power	Chicago
Rebuilding America’s Industrial Power	Boston
Rebuilding America’s Industrial Power	Pittsburgh
Energy and Water for Western States	Denver
Rebuilding America’s Industrial Power	Austin

1981

Honors Dinner, PPPL Director Dr. Mel Gottlieb	New York
Science Education for the 1980s	Baltimore
America’s Next Twenty Years in Space	Houston
Awards Dinner, Dr. Adolf Büsemann	New York

1982

A Beam-Weapon Anti-Missile Defense	Washington
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1983

Directed-Energy Weapons and Technologies	Washington
Fusion Energy: National Security Implications	Washington

1985

International Conference on the SDI	Berlin
The SDI and Optical BioPhysics	Paris
International Conference on the SDI	Tokyo
International Conference on the SDI	Rome
Memorial Conference, Space Pioneer Krafft Ehricke	Washington
Sept. 15 Dev. of Indian and Pacific Ocean Basins	Washington