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Because some members have been behaving as well-meaning damned fools, I have been forced to take an action I have been avoiding: to formalize Costas Kalimtgis's *temporary suspension* from executive duties, pending his recovery from a mental disassociation correlated with his recent and current condition of physical health.

I report as much of the hard fact as it is discreet to put into writing.

My first indication of a deterioration of Costas' mental condition came when he acted to collapse the European organization, and attempted to excuse that action by diversionary wild, insane libels against Uwe Friesecke, Helga, and the European organization generally.

My first reaction was to calm Costas down by telephone, assuming that that irrational outburst was simply a product of his overexertion under the unusual added stress of certain critical administrative problems. When the same mental aberration recurred, I moved into the situation. I had no inkling of the severity of the situation until Costas erupted in a psychotic-like episode during the course of a National Executive Committee meeting on the eve of the recent National Committee meeting.

The problem is simply that Costas is extremely ill and extremely disoriented, all as an outgrowth of the accumulated stress he has suffered since approximately September-October 1979.

Without going into privileged details of the matter, the Computron connection to Costas' problems is essentially as follows.

Computron Software is the leading minicomputer programming and software entity in the United States, and perhaps the world today. This success is significantly to the credit of the leadership that effort supplied by Andy Typaldos up into about September-October 1979. It is also the result of the dedication and sacrifices of talented Labor Committee members who have provided the firm with capabilities and dedication of a quality which no employer could have found otherwise.

The actions of the Eagle-Star-centered grouping of the Anglo-Canadian SOE crowd, attempting to ruin Computron by defamation and related methods of financial warfare, had a grave initial impact on software sales, although that has been reduced to a marginal problem over the course of 1980.

There has been serious mismanagement of Computron's affairs, a mismanagement whose reality has been covered over by exaggerated and sometimes downright mythological assumptions that the Labor Committees or the recent campaign were in some way the principal cause of Computron's difficulties.

The central point of the mismanagement is a wrong-headed belief, significantly nurtured by Costas and some others, that Andy is a "business magician." This illusion has resulted in incurring a large amount of non-software expense-burden for activities in which Andy was a sardine swimming among sharks. In other words, Andy was encouraged to go outside of the area of his specific competencies in business into areas in which he is essentially a fumbling amateur. As of this point, that is the only cause of Computron's recent and continuing problems. Without those grave policy-errors, Computron would not have suffered the recent difficulties in the form or severity with which they occurred.

This is coupled with the fact that a number of influential business groups have sought to help Computron expand its business and secure additional capital. These offers were made by capable persons who wished to help enterprises of my friends, and who have been most efficiently helpful in other matters. Acting under the influence of the illusion of great financial coups, Andy and other representatives of Computron made themselves ridiculous in the eyes of these business circles—each of whom has confided, independently of one another, the same general complaint of Andy's obsession with "moonbeams," rather than sticking to the sound business which Computron is.

The problem of mismanagement of the ICLC has been Costas' growing obsession with the delusion that Andy was about to pull off a financial miracle outside of regular Computron business. The national administration of the NCLC, most emphatically, was directed according to the delusion that everything had to be subordinated, and sacrificed if necessary, to the assumption that Andy was some sort of magician about to put over a world-resounding financial miracle.

In fact Andy's approach to the overseas and certain other promotions (outside Computron's specialized, extraordinary competence) had violated every sound principle in the book. This has continued in defiance of advice of experts with long, successful experiences in these areas, as well as my own direct advice to Andy and others in this matter.

Instead of pressing Andy to stop high-priced pursuit of moonbeams, and to get down to the business for which he had proven competence, Costas and others ran the organization's affairs on the assumption that Andy was a "world super-magician" whose outlook must be adopted as a model by the ICLC. Month after month, Computron's mismanagement of its extracurricular activities aggravated the problem. Inevitably, the enemy forces took advantage of this, and struck to produce the crisis.

It was not Computron's crisis which prompted Costas to choose to collapse the European organization. That latter decision was made weeks before the first warning of the crisis at Computron. The origin of the latter decision was the repeatedly-stated commitment to sacrifice anything for the pursuit of moonbeams.

Although most of the "international" and other extracurricular promotions were a mixture of incompetent judgment and outright delusions, there was one element of these extracurricular projects which had a certain soundness, if the project were approached in the right manner, and with the proper financial support *prior to* high-ticket expenditures on its account. I was to supply one of the crucial parts in a sound approach to this, a tactic which has not been followed through to the present date.

To remove cause for any simplistic misinterpretation of the facts: Computron was not the direct cause of the problems of the organization during the recent period. Rather, the problems of Computron are a mere predicate of a broader disorientation: the same mismanagement which has dominated Computron's extra-curricular ventures over the past period was introduced as a philosophy of gross mismanagement into the administrative and related affairs of the NCLC. Costas built Andy up in his own mind (and to some degree in Andy's mind as well) as a "world-class operative," and aggravated this by using Costas' deluded conception of Andy's stature as a "world-class operative" to impose what Costas imagined to be Andy's genius on the political and administrative management of the organization.

According to Costas' own report, as confirmed by others, sometime, not later than immediately following the New Hamp-

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shire primary, Costas developed the "bug in his head" that the European organization was in some way responsible for various important difficulties of the organization as a whole—that Europe was somehow "disloyal" to the U.S.A. organization. What Costas recently described as his March 1980 hatred against Europe generally, and Helga in particular, is corroborated by some others to whom Costas confided this private view. The "bug in his head" was pure paranoia—especially to those of us who know Uwe Friesecke as the most outspoken American nationalist of Europe.

This "bug in his head" erupted overtly at the point he acted to collapse the European organization. When I remonstrated (by telephone) with him against collapsing the European organization, Costas replied with a paranoid litany about the disloyalty of the European organization as the reason for his actions. Later, in the psychotic-like outburst the night before the National Committee meeting, Costas came out into the open with a vile, slanderous, altogether lying attack against Helga ... the same Helga who, out of dedication to our efforts, endured, if sometimes restively, being kept in a virtual "cage" month after month as her duty to the U.S. campaign-effort.

This paranoid hostility against Europe was extended to the National Executive committee, and later against the National Committee broadly and to others. Increasingly, the attitude was that the members were merely plastic figures who were failing to fulfill their duty to serve business-like demands.

It is not so simple. On the one side, on many occasions, Costas continued to make correct observations about the political process. These were, in practice, increasingly lip-service. Not that Costas' sincerity is to be doubted: rather, whenever those political principles conflicted with the obsessive pursuit of moonbeams, it was the political organization which was instructed to suffer.

Immoral, yes. Costas of 1979 or earlier would have been the first to lead in condemning such immorality. Was Costas consciously immoral? I doubt it. To commit immoral acts, it was necessary for him to become almost insane, to hide reality from himself behind a screen of paranoid obsessions, to direct paranoid obsessions of hatred against those whom he was acting to injure. *It was divided loyalties which broke Costas.*

This was not Andy's fault. Andy knows almost nothing of real politics, has never organized politically, and tends to defend himself by deprecating political organizers as intellectually inferior to "successful businessmen." This problem is commonplace among those whose daily activity centers on the manipulative business of selling "important business executives." It is a classical psychological tendency among salesmen. This is aggravated by the fact that he has lately mistaken his special competencies in some aspects of business as evidence that he is a good businessman in general—which he is not.

The problem is that Andy became a mythological figure within Costas' growing fantasies. It is not the real, living, breathing Andy who dominates Costas' delusion, but a purely-mythological Andy within Costas' recently-developing fantasy-life. When Andy speaks, Costas does not hear the actual Andy: he views Andy as the incarnation of the fantasy-Andy who exists only in Costas' delusion. Thus, if the real-life Andy says something which is politically incompetent, or makes an obvious blunder, Costas takes this utterance as Olympian wisdom, as almost an infallible pronouncement.

Hence, when I responded to Costas' telephonic advice that the "Olympians" were killing Computron's sales, both Costas and Andy reacted with irrational rage. Costas' statement was

broadly true, although—as I have subsequently discovered—not in exactly the way Costas represented it. The Olympians have reduced the directly aversive actions against Computron sales over the recent period. The problem has been the mismanagement aggravated by Andy's efforts to adapt to the psychologically-controlled environment of the Olympians who have been targetting his mind with knowledge of the weak points of his psycho-profile. He has been chasing a carrot around the world, a carrot which remains just close enough within reach to remain attractive to him.

Costas' role has been to feed Andy's misdirection, and to impose the mythology, the obsessions associated with that delusion on the organization generally.

The Mismanagement of the NCLC

Costas is no "devil," no "scapegoat." Others played their part in contributing to the obsessions causing the mismanagement of both Computron and the organization. Costas is simply a person whose mental balance broke under combined physical and psychological stresses. The problem has been the way various persons interacted with Costas' problems to institutionalize them.

Costas' problem should be isolated. A person who had become as a son to me has gone "bonkers" under stress. If well-meaning meddlers do not reenforce Costas' attachment to his delusions, he will probably recover. We have had some repeated experience with this sort of paranoid problem developed under stress. One must, in such cases, confront the victim of the paranoia with the truth in the most uncompromising way, and then provide a protected environment in which they will probably recover by their own means. Costas is a high-grade personality, after all, not a weak personality such as Bob Cohen or Eric Lerner. The prognosis is good, if well-meaning meddlers do not encourage Costas to cut himself off from his inner mooring to sanity, an inner mooring he locates essentially with me.

The task is to take the pressure away from Costas while isolating his problem. Bunglers and busy gossips have been worsening his condition after it had been significantly stabilized.

What do the bunglers wish to do? Make Costas anti-political, in order to make him non-political, more business-oriented? If you succeed in such bungling meddling, you will destroy him. Costas' entire identity is political; undermine that and you destroy him. That is precisely how the mythology involving a fantasy-image of "Andy and the world-class business operative" weakened Costas to the point this problem could have developed in the first place.

The "interesting problem" is the process of interactions which institutionalized the suicidal policies of mismanagement. The interesting thing is the way in which various circumstances and persons fed the problem, reenforcing it.

This occurred because the circumstances of the campaign cut me off from day to day supervision of administrative and related policies. The principal responsibility was given to Costas as my surrogate, on the assumption most of us shared, that he was best capable of such all-around responsibilities. However, National Executive Committee and National Committee members were eased out of all policy-making deliberations of any practical importance. After the August Democratic Convention, National Executive Committee members were prohibited from access to the information concerning the most crucial matters of financial and operating policy and practice. Then, the word was spread that various NEC and NC persons were foot-draggers, blocked, inept—relative to the world-class business genius Costas' increasingly disoriented mind imagined Andy to be.

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have developed over certain financial crises, with various scapegoats blamed, rather than revealing the real, misdirected policy-decisions which caused the problems. The impression was spread that Computron was the paragon of policy-making and practice—directly contrary to the truth: it has been the NCLC members in the field and in various business enterprises which have been carrying everything on their backs all the way through. With one important exception, none of the recent collapse of structure was caused by payment of campaign or campaign-related debt. Rumors to the contrary have been a complete hoax. There are some few lacunae in tracing flows of funds, but this in the order of probably not more than \$70,000, and all of those flows from the field organization were duly authorized for issuance. The entire problem, three important cases aside, has been chiefly a variety of financial mismanagement shaped under a wrong perception of political priorities.

The crux of the financial management problems has been the institutionalization of a "need to know" practice which excluded me and all but a few of the National Executive Committee. There is no indication of "embezzling," but only of wrong choices, including one category of expenditure made contrary to my direct, explicit instructions. The problem is simply one of mismanagement, a mismanagement of the NCLC's affairs echoing the continued mismanagement of Computron.

The most fundamental political error involved was the degradation of the membership generally as well as the majority of the NEC—including me—in particular. Certain "wise guys" proceeded on the correct assumption that I and other NEC members would have objected strongly to certain policies, had we been adequately informed. Therefore, to prevent we "misguided meddlers" from opposing the "wise guys" policies, we were each given our "assignments" plus an occasional accompanying explanation which was in fact deliberate misrepresentation. The purpose of this was not consciously wicked. Those involved proceeded from the assumption that they were persons of Olympian wisdom burdened with the duty of "handling" we less gifted folk.

Thus, by adopting a policy which in effect degraded the politically-active membership to virtual robots carrying out assignments, the mental powers and experience of the field organization and National Executive Committee as a whole were excluded as efficient factors in the situation. As the exhausted membership tended to become depoliticized by the "wise guys" mismanagement of affairs, the political vitality of the organization was undermined, and performance lawfully began to decline at an accelerating rate.

By blowing the lid from this mismanagement, and giving the organization back to the members—in effect, we have effected significant, even qualitative improvements. These improvements are not outwardly remarkable by comparison with summer levels, but they are most substantial relative to the catastrophic decline to which mismanagement had brought us.

Meanwhile, we are developing consolidated management, and in that process have the overwhelming body of national figures and much of the regional data under administrative control. Now, we know more of what happened during the summer-fall period than those who were directing the process at that time. The thing which stands out, horrifyingly, is simply a record of monstrous mismanagement, combined with an admittedly heroic exertion by Costas and others to make the mismanagement succeed despite itself.

When the combined effects of mismanagement of the organization and Computron produced simultaneous crises in October, Costas cracked under the strain—he "flipped out." It was not the strain which caused the "flip-out," but his obsessive

embodied in policy had generated the aggravated form of crisis we faced. He manifestly "preferred" to "go bonkers," rather than face simply and coolly the fact that a grave political error had dominated policy-making. In former times, when we faced and corrected major errors many times, Costas would have reacted with a deep sigh of relief to the fact that the problem had been identified for correction. This time, because of the power of the delusion dominating his mind, he preferred to "go bonkers" rather than rally himself to enjoy the process of correcting the error.

The general circumstances which permitted an institutionalized policy of mismanagement to develop around Costas are classical. A significant number of members, feeling the burdens of old age, and tired of the ingratitude of the human race, retreated from "Paradise" to "Purgatory," to a yearning for "earthly paradise." Security and perks for family and sensual appetites loomed as of increasing importance, a Kantian morality, a wish that one might retreat from an ungrateful human race to enjoy at last some of the personal creature comforts which appeared to be "only a decent recompense" for a stress-scattered veteran of many battles over a decade or longer.

Interestingly, this foolish descent down the moral ladder occurred at precisely the moment we had effected the most spectacular accomplishment of this century in the global impact of our election campaigning. The organization had demonstrated a capability which Andy (for example) has never comprehended, a capability whose lack is key to the failures of Computron's management. When we were ostensibly crushed and on the ground, we rose again and renewed the assault—through that continuing approach, continued into October, we rid this nation of the Carter administration. If the incoming Reagan administration fulfills its leading promises to restore industrial growth, our efforts have saved the human race from the worst catastrophe in known history.

Nonetheless, the moral decline in some members' outlook was understandable, if nonetheless as irrational as it was lacking in moral worth. Personal life's demands are an insistent clamor. "Family responsibilities" are a more powerful moral-depressant than individual-personal demands.

Into this was introduced the myth of Andy the "world-class business magician," a myth which Andy himself tended to absorb as a outwardly-projected self-image. Computron became the cynosure for the morally tired. Not the actual Computron, badly mismanaged, but the mythical Computron of the days when Andy returned with a bag of gold from the Persian Gulf. The mythical Computron, not the actual Computron whose profitable software activities, its only day-to-day asset, were neglected and depreciated by comparison with the costly pursuit of moonbeams.

So, the NCLC, which approaches each day with a do-or-die determination and proficiency in accomplishing what others would regard as the impossible, carried the burden, while those whose comfort depended upon those members depreciated the members and made snide references to the lack of better performance from "blocked," unsophisticated "political."

The roots of this go back some years. Computron used to prohibit daily briefings from its premises. This foolishness was introduced to WorldComp at the start, and sowed the seeds of serious problems of business management there. The same poison of apoliticization disoriented PMR, with effects of that still being carried on members' backs there and in the organization otherwise. Where the contribution to WorldComp's cash-flow (for example) from marginal work dropped below that which could have been mobilized in field political deployments, the marginal (apolitical) work was cherished, so that members employed there would not have to contaminate themselves with the unbusinesslike ways of the political universe.

Put the Costas Problem into Political Perspective

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The field produces between \$200 and \$400 per member deployed, including almost the entirety of the income of FEF. Without that field-income, and without the dedication and sacrifice of members working in certain entities as well as in the regional and national offices, nothing would exist. Our field organization, our security organization, our intelligence organization are the only self-evident priorities of the whole. Everything else subsists (properly) only on the basis that it proves its worthiness to enjoy the support of our members.

It is the combined activity of our members, as a political organization, including our international intelligence and security-investigations resources, which is our purpose, and which is the source of the unprecedented achievements of the organization.

The Quality of the Organization

Recently, I have produced several short books. The first of these, concerning *credit*, was oriented to the needs of policy-makers interested in receiving our elaborated statement on this matter. This was in response to a general need within the U.S.A., and more emphatically in direct response to September meetings with scores of leading figures of politics, business, and finance which Helga and I held, during which the need for elaboration of such matter was emphasized. The other three were directed, in each case, to a specific policy-task, but were designed to selectively educate and recruit from certain platonically-oriented elite strata. They were also designed as updated educational materials for recruits to directly replenish our ranks.

These books, however, are simply an exposition of the same methodological approach which has characterized the organization since 1966. Associated with this method has been the notion of an organization committed to truth against all odds, an organization not only committed to truth but possessed of the method needed to discover efficiently what is truth.

Out of that combined resource, as reflected freshly in those books, we have developed an organization whose knowledge of and commitment to action is independent of the approval or disapproval of any popular opinion or authoritative institution. It is that specific sort of moral quality which has enabled us to rise from the ground and strike back with greater and more effective force than ever before each time the enemy has imagined himself to have crushed us. That is the secret of the organization—an organization based on persons who have assimilated that and who have found in themselves the moral stamina to act so despite the pressures of family responsibilities, personal desires for "earthly paradise" and so forth.

Ironically, those same qualities are the most admirable for business management—as many persons from that side of things have complimented us increasingly over recent times. But for members so steeled in the employment of certain entities, those entities would not have survived the combined problems of externally and internally-developed difficulties. The more political one is, the better a business manager one is in the clinches, indeed, in businesses which are successfully built, that same quality is always evident in a non-political form (usually). In such cases, a combination of a political-organizing sense with a day-by-day do-or-die approach produces success—in contrast to the lackadaisical approach toward decisive policy-matters which has sometimes affected the business entities with which the members are associated.

I am not deprecating Andy's achievements and capabilities. I am simply exploding the lunatic myth which Costas has helped to develop around Andy. Andy is effective, as long as he does not lose sight of his limitations as a business executive, as well as his lack of understanding of the ABCs of the human side of the political-organizing process.

The International Caucus of Labor Committees is the miracle of 1980. Within the perceived limits of factitious advantage, the forces associated with the continuation of the Special Operations Executive have engaged over a period of more than twelve years in an escalating campaign to eradicate the ICLC's existence. By our methods, including the enhancement of the potential of factitious advantage, we have not only survived—where no other organization in similar circumstances ever survived—but, with the aid of the 1980 election-campaigns in the U.S.A. and West Germany—have altered significantly for the better the infrastructure determining world politics.

This continuing struggle is not without costs. People do tend to wear out through "combat fatigue." The flaws in personalities which make individuals susceptible to such "combat fatigue" are *sex, money and family*. "Sex" is often the direct, vaseline-lubricated skid from even "Paradise" into the "Inferno." "Money" is sometimes as dangerous as "sex," but is more often, like "family," a means of descent into "Purgatory," from which point the descent into the "Inferno" next proceeds. As Brigadier John Rawlings Rees and others have documented, the kernel of British (Tavistock) psychological-warfare technique concentrates on applying the principles learned in study of "combat fatigue" cases from battle-conditions to such targets as our members.

That is the key to understanding Costas' present paranoid condition, including the question of whether it is possible for Costas to recover his morality under his present state of extreme disassociation.

Politically, Costas' present behavior is one of opportunistic political renegacy, a political betrayal of the human race. Since Costas is incapable of such renegacy in a sane state of mind, it was necessary for him to go insane in order to betray what he had earlier dedicated his life to accomplishing.

There are two problems. One problem is the personal problem of Costas' present suffering. The other is the reluctance of some to face the ugly truth of the political implications of Costas' mismanagement of the organization's affairs. We can, from a personal standpoint, excuse Costas' malfeasances on the expiating premises that he did this under the influence of a march toward insanity. Although we can be understanding and compassionate toward Costas personally, we must not confuse that compassion with the enormity of the political malfeasances themselves.

In particular, there has been some recent misguided argument about the failures of the National Executive Committee generally during the relevant period. Certain facts, both true and distorted, are used by some in the effort to shift their own focus away from the enormity of what Costas' actions represented in consequence. It is necessary to put those mixed accurate and distorted criticisms of the NEC into perspective.

First, I shall summarize the way in which I discovered Costas' insanity, a summary account which bears directly on the political malfeasances consequent upon that mental problem.

Who Knew What?

I begin with the fact that I had no relevant information on the nature of the crisis until Costas' refusal to speak with me by telephone, a refusal sparked by his irrational reaction to a

memorandum transmitted on the problems of Computron. It was only from that point that I began to piece together the evidence concerning a process which had been ongoing for months.

Like most members of the NEC, from February 1980 onwards, I received only piecemeal, misleading information concerning a number of crucial situations. This was not entirely improper. I had delegated responsibilities and authorities to Costas, because I judged him the person generally accepted by the NEC as well as myself to be the best suited to approximate my overall responsibilities for the NCLC for the duration of the 1980 election-campaign.

However, Costas increasingly excluded the NEC members generally from information. It might be argued that those NEC members might have double-checked Costas' reports. It might be argued more competently that I should have been told that vital information was being systematically kept from the NEC. I should also have been told of warning signs of Costas' growing insanity. I was not told of the former because NEC members presumed that Costas was adequately informing me, and that Costas was acting in agreement with my policy—which Costas did argue on a number of occasions where he was (sincerely or not) grossly misrepresenting my authority. (This included outlays for specific ventures which I had explicitly forbidden be made.)

This was complicated by Costas' increasingly paranoid hostility toward various members of the NEC and others. This created a situation in which the NEC could fulfill its responsibilities only by confronting Costas and calling him to account. It must be emphasized that these are the same NEC members who have recently pulled the organization back into functioning shape, doing so largely by being given a go-ahead for doing what Costas (chiefly) prohibited them from doing earlier.

In practice, *the only competent criticism of the NEC was that I was not told my direct intervention in the situation was imperative.* Those who have a different view of how the NEC erred have yet to learn the ABC's of institutional life. The best executive in any organization would have behaved no differently.

Carol White was the chief target of Costas' paranoia against the NEC, a vendetta which drove her wild and produced in her outbursts which were then used to justify the vendetta. This played upon her well-known neurotic reactions concerning the one area we keep her away from—financial crises. Except for her brilliant work in connection with the New Dark Ages, where her political leadership qualifications were afforded room for action, she was effectively neutralized.

Warren Hammerman had a few private fights over issues on which he was right, and then he capitulated.

Uwe was disoriented, and his weaknesses brought to the fore.

Alien Salisbury, was driven into fits by circumstances he rightly viewed as degrading him, and to which he reacted overall with inappropriate, resentment-brimming withdrawal.

Chris White was neutralized.

Criton Zoakos has never bucked Costas organizationally since the events in Germany nearly a decade ago.

Ken Dalto was ostracized and deprecated, except when his special services were needed for an emergency.

This all occurred under "combat conditions," in which no one wished to "rock the boat."

In short, the situation was such that matters could only continue to worsen until I was brought into the picture.

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My first inkling of the problem's actual nature and dimensions was Costas' decision to collapse the entire European organization. Costas had the data informing him that he was collapsing Europe. When Uwe Friesecke confronted him with that fact, Costas responded with a vile, lying attack against not only Uwe, but much of the European organization, hinting even then that he was about to unleash massive lies against Helga.

I did not grasp even then the enormity of the problem. I attributed Costas' psychotic episode to combined physical and psychological stress in terms of known factors, and concentrated on calming him, reassuring him that I would return immediately if he judged the situation more than he could carry.

During that telephone conversation, Costas reported to me that the crux of the problem as a whole was the threatened collapse of Computron, which he reported as the result of the "Olympians" blocking of Computron's sales. This report by Costas was not entirely accurate, but I took it at his word, and transmitted memoranda demanding immediate counteraction against the "Olympian" agencies responsible.

In response to this Costas and Andy reacted violently. This was my first inkling that Costas' attitude toward Computron involved a mentally-aberrant obsession, rather than objectively-based concern as such.

It was at that point that Costas, for the first time, broke off communication with me, and the first occasion his attacks on the European organization focussed on Helga as the target of his lying, paranoid vitriol.

Later, he did relent on collapsing Europe, but the problem worsened in other respects.

The fact of the matter, as subsequently confirmed, was that Costas had made a decision to collapse Europe, and had concocted the lying attacks on European EC members and others as a smokescreen, a diversion of his own mind away from the enormity of the immoral decision he had made. I also discovered that he had acted similarly in his decision to collapse Colombia, behaving shamelessly toward LALC, threatening them if they once again attempted to lobby for not writing-off Colombia.

The period, after my return, until his paranoid outburst at the NEC meeting, is relevant.

I was to meet with Costas and Andy, to review the Computron situation. I reviewed this matter and other matters of business organizations with Costas over several hours—Andy was late by several hours for the appointment. Later, Andy gave a separate report, contradicting directly many things Costas had reported. I now know that in some matters Andy was wrong, and in others Costas was mistaken. Both, however, were selling me a bill of goods. Andy, for example, assured me that Computron's financial situation was fully covered by credit—which was exaggeration to the point of untruth.

Both attempted to assure me that the business entities, especially Computron, were all in stable condition, and that only the failures of the political organization were a financial problem. As long as they imagined that I was about to limit myself to correcting the nonfeasance of the field organization, there was no conflict.

Imagine the enormity of it all. Over a six-months interval, field income had risen in aggregate by about \$100,000 weekly. Invoiced earnings of entities, including the FEF, depended predominantly on field deployments—with the field subsidizing FEF almost entirely. Although the field performance was dropping, clearly a result of mismanagement from the national center, the field organization's performance was not the problem, could not be the problem.

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For example, EIR has reached the level of \$5 millions, the largest and fastest-growing component of overall income. This is the sale of intelligence, a component of input which was being cut. Certainly gross mismanagement even by the most rudimentary business standards.

There was a problem in the field, which is being remedied as rapidly as might be hoped, but the field problem is a consequence of mismanagement from the national center, a consequence of the same kind of immoral mismanagement which governed the decisions to collapse Colombia and Europe.

These two cases, Costas' decision to collapse Colombia and Europe, are paradigmatic. There were numerous, other decisions to the same effect with respect to the U.S.A. organization.

Aggravating Influences

Costas' own problems were being aggravated by a sophisticated targetting of Computron executives, especially Andy, by Dope, Inc. There were several approaches, which recent investigations have proven to be a coordinated deployment. Andy hired persons directly tied to circles setting up members for physical attacks up through assassination, under circumstances in which Andy should have recognized the connection. He incurred substantial expenses, of both money and major sections of his energy and time—taken away from business—because of errors of business judgment made by forces operating with foreknowledge and monitoring of his psychological profile.

While Andy was throwing tens of thousands of dollars out the window on moonbeams brought to him by enemy forces, he was spoiling important business opportunities of substance. I have direct, verified knowledge of three major business opportunities directly ruined by Andy's discrediting himself in the eyes of prominent business circles which were attempting to help Computron considerably as a personal favor to me.

There is no competent argument against the judgment that Andy's management has been increasingly incompetent. The basic firm is sound, but Andy's recent policies, if continued, will ruin it.

There are those who insist that Computron's software is not profitable. That statement is totally inaccurate. I know Computron's total expenses and its sales margins. If one deducts from Computron's expenses the amounts which are unrelated to software, and which are largely wild-goose chasing, the proof of software profitability stands out immediately—and conclusively.

There are two special reasons for this profitability. First, Computron's productivity and quality in software are superior to that found in any competitor, by up to an order of magnitude. Second, Labor Committee members and a few other producing persons employed by Computron are receiving \$12,000 of incomes for \$25,000 of quality performance. That latter discrepancy in wages has been a margin of implicit capitalization of software development costs. If proper training programs were resumed—admittedly a form of capital cost—the productivity would be increased.

Granted, some of Computron's development ventures could succeed, if their promotion had been approached on a sound basis, rather than the wild, irresponsible sort of long-shot gambles which have cost so many tens of thousands of dollars.

Just to be clear on the latter point, without naming the specific venture involved.

I stated to Andy emphatically in New Hampshire and later that a certain desired business arrangement could work provided I negotiated the crucial final step in the arrangement. That is, its

failure or success depended upon the outcome of my intervention at a crucial point. Not only was I bypassed, but tens of thousands of dollars were spent in an approach described as unworkable by very expert in doing business in the Middle East. I gave Andy a better chance of succeeding than any of those experts, because of a political asset I hold which Andy and Costas lately profess to overlook. Even with that added factor, Andy's Middle-East business ventures resemble parlaying long-shots at a Las Vegas roulette. Andy might have a limited success, but it would occur as one of the wildest, least-earned long shots in business history.

As far as Andy is concerned, the whole problem is merely one of talking to him like a "Dutch uncle," and prompting him to get off this suicidal kick, to get back to business and stop all this costly, fantasy-pornographic screwing around. The problem is the way in which Costas has reacted to Andy's curable episode of financier-delusions. Costas, who should have straightened Andy out, has instead become a major reenforcement of Andy's suicidal pursuit of "magic."

Costas' Computron Syndrome

What has been operating on Costas is not Computron, but influences impelling him toward leaving politics for business. Since Computron is the only visible avenue for making such a shift of loyalties, Costas has been on a "save Computron" binge whose motive has been protecting an avenue of escape from political life, not a realistic view of Computron's problems.

If Costas had been concerned to "save Computron," the first thing he would have demanded is a slash in unnecessary expenses of chasing "moonbeams." He would have reamed Andy royally for ruining important opportunities by attempting to con our helpful friends, and would have taken assorted measures to similar effect.

One recent case is exemplary. One of our most influential friends made an appointment to meet Andy. Andy made a mess of it, so that the friend left the appointment early in disgust and rage at Andy's efforts to "con" him rather than get down to a truthful account of matters. Costas and Andy refuse to admit that Andy's hype ruined that meeting and opportunity. As Andy's (illegible text)obsessive in insisting that he saw the man being overwhelmed with (illegible text), by Andy's performance.

Why does Costas need to believe in the purely mythical delusion of Andy's "magic"? The phenomenon is not unfamiliar. It is an attitude of loyalty toward one's employer, toward the "genius who founded this company." Costas is viewing himself as Andy's employee, to the point of sycophancy. He distinguishes between "insiders," who are permitted to gripe, and those are "outsiders," from which no criticism will be tolerated, even if the same criticism is fully agreed upon by leading "insiders." Anything which might tend to mar the illusion of Andy's "miraculous powers of business magic" is angrily denounced as a "lie," simply because tolerating its repetition might mar the delusion.

Since Costas could not proceed toward the change of loyalties from politics to business directly, all at once, he had to suppress conscious recognition of the shift in loyalties during the initial period such a shift was developing. The discrepancy between what Costas represented as his political policy in words, and the contrary, apolitical priorities increasingly introduced to practice, was covered by the customary neurotic repression of truths the conscious conscience would not tolerate.

He elects to destroy the Colombia organization, to marshal the resources to "save Computron." His anger is directed not against his own decision, but against those LALC representatives who anger him by asking him to repeal such an immoral decision. He elects to destroy the European organization, and

attempts to cover up that immoral decision by inventing paranoid lies against the European organization.

He informs me by telephone that Computron is the only major problem, and then calls me a liar when I react to his information by proposing that the organization take concrete steps to counterpunch the "Olympians." Later, when I referred to the fact that it was he who had reported this problem to me, he calls me a "liar." Anyone who says that Computron's management blunders should be corrected with at least an approximation of the severity with which Costas directed the "Schachtian triaging" of the political organization for the sake of Computron is called a "liar" or something equally vile even for proposing to discuss the matter.

All of the so-called "factual issues" which Costas has been raising in his paranoid rages are red herrings. There is not truth to any of those "factual issues." The function of those "factual issues" is to divert discussion away from any discussion of Computron. That is, if Costas once faced the truth about Computron, which in fact he knows rather well, the entire superstructure of his lying on all other issues would collapse.

Thus, it is Andy's own misguided efforts to protect the myth of his "\$100 millions potential" which is the prop for Costas' present paranoid self-degradation. If Andy would face the truth and tell Costas to stop the insanity, Costas would recover. Without going directly and exclusively at the issue of correcting mismanagement (illegible text)

Internal Notice

It has been reported from several locations to the National Center that certain members have decided "not to sell Fusion" under the excuse that by selling Fusion, one becomes victim to the "FEF Syndrome." Any rumor coming from New York that purports to justify this is precisely the kind of SOE-type rumor-mongering campaign that was warned against in the Dec. 26 memo.

(Part of the 12/31/80 MB)

ICLC Internal Memorandum

From L. Blouche
January 12, 1981

Andy Still Wildly Blocking Out Reality

Since Andy T. has refused to meet with me since our last very brief meeting together with Paul T., and has also refused meeting with either Security, Finance or other NEC members on the urgent crisis at hand, I am forced to rely on this fact, but cross-checked reports of his false statements about me and Labor Committee matters to Labor Committee members. Since those false statements from Andy affect the morale of members of the organization, and are potentially damaging to both Computron and Andy himself, I regret that I must deal with this by internal memorandum.

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First, except for personal contributions to the organization by officers and employees of Computron, including personal loans by Andy himself, over the past months Computron has survived because of massive financial assistance from the Labor Committees, both direct aid and massive infusions of credit. This amounts to hundreds of thousands of dollars of direct and indirect aid out of the pocket of the organization, and has been the only significant source, directly and indirect, of assistance to cover massive Computron losses incurred chiefly by uncapitalized outlays, including costly and rather numerous and fruitless foreign trips, to cover promotion of a special product unrelated to Computron's software business.

The point has been reached and passed at which we can presently continue to subsidize Computron as was done by Costas K. during the period since New Hampshire.

The associated problem is that while the special product is eminently marketable, Andy T. has been induced to believe in a fantastic myth concerning the way in which the financing of high-technology corporations is actually implemented, and has refused numerous opportunities to secure equitable terms of capitalization because he has been encouraged to hold out for a mythical arrangement which no investor in his right mind would ever offer.

This is complicated by Andy's stubborn refusal to face the fact that his employment of a person linked politically to the Armenian Secret Army ruined his opportunities for business in France. Whatever that individual's actual private beliefs and commitments, he remains a point of grave danger to the security of Computron and the Labor Committees because international intelligence agencies view Computron as harboring a person they have accurately linked as having a ten-year association with the political organizing providing cover and assistance to the terrorist organization.

Andy has mixed reality up with a misguided effort to defend what he regards as his ego in the matter, and tends to spew false statements like Wall Street ticker-tape confetti upon whomever he accosts in this and related matters. Since Computron is essentially sound, the matter could be straightened out if he would merely face reality for once.

The problem goes back to 1978, but became increasingly acute after the successive publication of the Our Town and New York Times articles. Under these conditions, especially over the course of most of 1980, Costas became increasingly psychotic, a growing pattern of episodes which many viewed as outbursts of merely irrational rage against one person or another. Under this influence, over the Spring and Summer, into the Fall, Costas directed many imprudent actions of a sort he would never have tolerated had he been fully in his right mind. These imprudences were not understood as such by many of the persons involved at the time, since none of them had the knowledge of other aspects of the same overall business to understand what was really going on. Costas, and to a lesser degree Andy and Chrissa, did necessarily have more or less complete overview of these incompetent actions, all taken with the motivation of "saving Computron" even at the expense of the basic infrastructure of the organization generally.

What was being subsidized in fact was not Computron as a software firm, but rather what was being subsidized was the margin of Computron's losses caused by Andy's wildly incompetent approach to marketing non-software products. In this process, Andy was dealing principally with, and being psychologically manipulated by, persons in Europe and North America as well as the Middle East, who all turn up on the list of key personnel tied to Dope, Inc. Andy is being psychologically manipulated by the flaw in this psychological profile, his proclivity to substitute bullshit for reality, and to imagine that the "psychology" of a fast "sales pitch" can solve all problems of reality, in defiance even of hard reality itself.



ICLC Internal Security Memorandum—Highest Priority
By Lyndon H. LaRouche
January 17, 1981

International "Yellow Alert-Plus" Status

The ICLC is herewith placed on security status "Yellow Alert-Plus" concerning probable endangerment of prominent international political figures, including NCLC Chairman Lyndon H. LaRouche, Jr.

The agencies responsible for this present state of endangerment are an alliance among the "Solidarist" forces of IMEMO, the KGB and the Socialist International, as well as the "Liberation Theologists" per se, plus Tavistock-centered elements of British SIS. Behind those forces are the London financial community and SIS-command elements of the private household of Queen Elizabeth II. At the top-level of this wickedness is an aggregation of the private family funds of old "Black Nobility" families centered upon Venice and its adjunct city, Genoa.

The acuteness of the present danger is defined centrally by the conjuncture of the inauguration of President-elect Ronald Reagan and the threatened defeat of Socialist International-allied forces around Ponomarev and Suslov in the February conference of the Communist Party of the Soviet Union. Typified by the wickedness conducted through the outgoing Carter administration and Henry A. Kissinger, the enemy forces mobilized behind the Socialist International's front are deploying every capability to the purpose of affecting destabilizations within and outside the United States at this juncture.

Targets

Obvious principal targets for possible assassination attacks include President-elect Reagan, France's President Giscard d'Estaing, Mexico's President Jose Lopez Portillo and other prominent obstacles to the "post-industrial society" policies of Volcker and his masters associated with controllers of the Socialist International.

Every indication is that there is something just short of a "red alert" security-watch around President-elect Reagan. The record of the FBI in the matter of the JFK assassination and its aftermath is of grave concern to us in this connection, as well as the penetration of the incoming administration by Socialist International-controlled Heritage Foundation influences and also circles associated with the New York East Side Conservative Club. Members should be on the highest degree of alert for any information which might require investigation and evaluation in this connection.

Under these conditions, there is also a high risk to the lives of ICLC leading figures. Some of the forces which are under scrutiny by security agencies as potential threats to President-elect Reagan have LaRouche and others high on the list of preannounced targets for assassinations.

There must be no blocking on patterns of developments of the sort to be reported to Security. All information must be transmitted immediately to Security in New York City. This pertains not only to ostensible signs of physical menace, but to any queer form of increased harassment by the FBI or others against elements of the organization, including individual members. Remember: *the counterespionage element of the FBI is a major potential source of assistance to assassination attacks by some of the suspect organizations and persons.* (Remember who killed and who aided in covering up the assassination of JFK!)

Internal Memo From L.H. LaRouche
To All Members Of The NCLC

January 15, 1981

My investigation has shown that *in the moral opinion of the membership*, Gus, along with Andy, and with the complicity of Chrissa, has been a liar and a thief increasingly over the last two years, and massively so.

The facts will come out in due course, but don't be surprised by a figure of up to or more than one million dollars.

New Solidarity International Press Service
News Release No. N-6

LaRouche Reaffirms "1.5 Millions" Analysis

New York, Jan. 17 (NSIPS)—Former Democratic Presidential candidate Lyndon H. LaRouche, Jr. strongly affirmed today his earlier published statement, in which he distinguished between an estimated one-and-a-half million Jews killed by the Nazis under Goering "Green File" and related policies, and those Jews killed as part of Alfred Speer's slave-labor program.

"Although there is no doubt that Anglophile-linked Goering would have killed six million Jews or more outright," LaRouche stated, "the fact of the matter is that most of the Jews killed by the Nazis died at the hands of Speer, not Goering." LaRouche added, "This point I emphasized in a published article attacking Felix Rohatyn, who introduced the same policy to the government of the City of New York under which Speer had murdered the overwhelming majority of the Jews and other slave-labor victims murdered by the Nazis.

"There is only one conclusion to be made concerning those who have objected to my distinction among the two categories of Nazi murders. By alleging that six million Jews were killed entirely as a result of the "Green File" policy of Goering, those who criticize my distinction are covering up for the man who directed the murder of the majority of Jews who died: Albert Speer. Such a coverup is consistent with the toleration of the leading neo-Nazi economist of today, Milton Friedman."

LaRouche added: "Fascist sympathizer is therefore the only admissible term for those who have attacked my statement."

End News Release No. N-6

FBI Links

A paradigm for the links between the Foreign Divisions of the KGB and the counter-espionage division of the FBI is provided by the case of the "Armenian Secret Army" terrorist organization, which is indicated as being in cooperation with the FBI and Anti-Defamation League, and also with the Soviet KGB. An asset of the political mother-organization of the Armenian Secret Army has penetrated a firm in which members are employed—Computron—and constitutes several kinds of security-threat to the organization generally, as well as a major danger for Computron itself.

For the present period only an ignorant person or blind fool regards the FBI's counterespionage and related operations as different in this respect than the Soviet IMEMO-KGB forces. The two forces are co-deployed against what they regard as leading common adversaries.

Internal Security

The leading among several known risks to the internal security of the organization is the case of Costas Kalimtgis, who is presently in a paranoid-schizophrenic condition and is deploying against the organization with a campaign of lies aimed at confusing and destabilizing as many selected members as possible. Costas' state of mind is that of an evil "Mr. Hyde," who, like the Robert Cohen who turned against the organization for the organization's refusal to order selected members to provide him with sexual gratification, has a bitter "grudge" against the organization for catching him with his "hand in the till," for diverting more than \$750,000 from the organization through deceit and other fraud against the National Executive Committee and general membership.

Costas is currently a pawn in the hands of forces linked to both the KGB and FBI, and, together with Computron, has been under FBI counterespionage investigation since no later than 1977 to the present date. The pretext for this operation under the pretext of investigation is the continuing relationship of his mother to a relative associated with the KGB and with a KGB-linked operative based at the United Nations Organization headquarters in New York City.

Furthermore, Andy T. has been a pawn under the manipulative control of agencies directly linked to both Dope, Inc. and international terrorism since no later than late 1978.

The danger to the New York side of the organization is that alien persons may attempt to exploit some foolish dupes' misplaced sympathy for Costas or Andy to gain access to penetration of security screens. Presently, Costas' evil state of insane mind and Andy's stupidity makes either of them and their foolish admirers ready dupes for manipulation. Although Andy has been approached for cooperation in sealing off his firm's continuing links to international terrorism, positive action to that effect has yet to be completed.

Duration of Alert

The present state of international alert will continue until the safe and complete inauguration of President-elect Ronald Reagan, at which time a new evaluation will be made on the basis of accumulated indications, plus information received from relevant sources.

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ICLC Internal Memorandum
By Lyndon H. LaRouche
January 17, 1981

Correcting Mismanagement Errors

The principal cause of the problems of World Comp, and a major contributing source of blunders at PMR has been Andy T.'s wrecking-action conducted with full support from Costas K. Both joined in ordering a depoliticization of World Comp's personnel, and in running slander-operations and other forms of harassment to the purpose of discrediting the status of National Committee members.

Specifically targetted by Andy, with Costas' support, were Ken Kronberg, Mike Minnicino, John Sigerson, and Nancy Spannaus. These targetted persons were the leading qualified persons involved, and were assigned to lead in implementing policies discussed with and approved by the NEC and its chairman. As a consequence of rotten harassment and other actions-initiated by Andy and Costas, World Comp was largely disorganized and damaged during its period of initial operations.

As members will recall from the 1978 conference, World Comp was initiated as an outcome of a policy I set forth at that conference, as adopted by the body at that time. This policy was to secure members engaged in outside employment against the evil operations we cited as examples then; we would utilize the fact that political leadership qualifications and business-leadership qualifications tended to be correlated. Andy, with support from Costas, set out to undermine that policy, using the wholly-groundless cover-assertion that Andy T. had advanced capital to World Comp, when, in fact, precisely the opposite was true.

No one could have succeeded in such a deliberate subversion of adopted policy without the complicity provided by Costas, and without massive lying to me by Costas on these and related matters on which he was formally accountable to me.

The environment introduced at World Comp and spilled over into PMR and other locations was the direct principal cause for demoralization and misdirected performance in those locations.

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This rotten policy endorsed by Costas was consistent with a ridiculous, totally-incompetent and rejected memorandum of about one page in length authored by Andy in 1974. That document from 1974 is unfortunately a source of insight into Andy's monstrous mismanagement of Computron over the period since October 1978. In matters of business management Andy's performance all around has been that of a "fast-talking salesman," virtually a confidence-man, who imagines that he can either talk his way out of everything or construct a mass of dubious financial paper. In fact, he is a pathetic amateur, as we have seen from studying the trail of paper which he and Costas put together in the course of their efforts to loot the organization.

The function of this memorandum is to return to those NC members and others immorally abused by Andy and Costas a part of the dignity of which they were immorally robbed. For myself, every track of uncovering what Andy and Costas did together, whether in financial operations or in matters such as this, causes me to vomit. Let us put the organization fully back together on the basis it was built, and purge the last vestige of this pragmatic, amateurish immorality which we are uncovering most extensively from day to day.

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ICLC Internal Memorandum

First Steps Toward Rapid Growth of Capabilities

By National Executive Committee, NCLC
January 20, 1981

Over the course of this week, the NEC will complete its decisions on details for an initial phase of qualitative improvements in both field and national-center operations.

1. At least two, and possibly three NC members will be deployed to critical growth areas of field operations during the coming fortnight.
2. In addition, five or more additional organizers will be deployed into these growth areas.
3. Both the American Political Intelligence and Economic Sectors of Intelligence will be substantially strengthened.
4. The rationalization of administrative functions will be begun.

Although the measures being taken are fully justified by the current increase in growth-opportunities nationally, it will not and should not be overlooked that this represents a direct reversal of a drift in policy of practice over a period of approximately two years. The membership would not be able to approach new undertakings with confidence unless the members generally were assured that the NEC had fully confronted and corrected the grave errors tolerated over the past two years mismanagement of the administrative side of our operations.

Therefore, we now present our summary account of the nature of those administrative errors, and also an accounting of what was and what was not damaged.

The Kernel Problem

Since no later than Autumn 1979, the NEC member responsible for administrative affairs, Costas Kalimtgis, has been complicit in damage to the organization done under the cover of willful deceit of not only the NEC Chairman, but the NEC and organization as a whole. During the period from November 1979 into November 1980, this involved a massive diversion of organizational funds, under cover of deceit, to subsidize the massive losses which a firm, Computron, was incurring through gross mismanagement of its own business affairs.

The most criminal of the recent actions taken, from a moral standpoint, in this diversion of monies and credit to Computron, were the willful cutting-off of payments to Colombia and to European operations. In both cases, these actions represented Costas' willful decision to destroy both organizations in order to free payments due those organizations for diversion to Computron.

Costas' actions to this effect are mitigated by the evidence that he has suffered a mental breakdown of a classical paranoid-schizophrenic type. In layman's terms, he has a double personality, alternating between a "Dr. Jekyll" personality which is a weak, depressive echo of his former self, and a raging, venomous, lying "Mr. Hyde." In effect, two distinct personalities occupy the same flesh.

Beginning with the deceitful diversion of a massive amount of funds to Computron during Autumn 1978, the proclivity to pilfer the organization in concert with schemes provided for this purpose by Andy T. was associated with an anti-political policy,

January 19, 1981

To the National Executive Committee of the NCLC

It is with sorrow that we, long-standing and loyal members of the National Caucus of Labor Committees, announce our resignation from that organization. The memos of Lyndon H. LaRouche are a hideous, moral abomination which can only destroy the ability of the organization and of its membership to contribute anything positive to the future of the human race. It was bad enough that LaRouche should echo the words of a known Nazi sympathizer, Willis Carto, cynically dismissing the true horror of the Nazi holocaust with the argument that "only" one and a half million Jews died. Much, much worse is the fact that LaRouche was too small a person to admit his mistake and retract that damaging statement, but instead sought to wallow in its reaffirmation. That reaffirmation was the sign of a mind which has become dangerously ill, a soul which has died.

How dare he set up Costas Kalimtgis, who has spent his entire life in the humanist movement and who was our acting chief executive for so many years, for character assassination, and perhaps worse, as a "KGB agent"? How dare he villify and arrange the legal farce of loyal, self-sacrificing members, Chrissa and Andy? If you remain, you are complicit in this.

There is no such thing as the "moral opinion of the membership," when the membership has been psychologically profiled and whipped into a frenzied, unthinking mob. There is only the truth.

Look inside yourselves. If there is any man or woman among you who is not a pathetic, lying coward, you must resign now.

Donald Roth
Alice Roth
(signed)

a conscious organization-wrecking policy, which Andy introduced, and which Costas consistently supported at Andy's instigation beginning Autumn 1978. The myth employed to this latter purpose was the allegation that Andy "the world-class business operator" was correcting the amateurish and bungling of the political organization with introduction of "sophisticated business methods," in the name of "professionalism."

In fact, from Autumn 1978 onwards, the point at which we have presently conclusive documentation of the matter, except for proceeds of software sales, Computron never made a nickel except for the masses of funds diverted from the organization by various deceitful means. Over that period, there was never any net flow of funds from Computron to the organization—directly contrary to a lying myth with Andy and Costas repeatedly avowed as cover for the diversions of assets from the organization.

Furthermore, we have received a holographic document in Andy T.'s hand from a third party which outlines his long-range plans for looting the organization. In effect, this document and related evidence of actual practice, show that Costas and Andy were proceeding as the document outlines, to strip the organization of various technological capabilities, as well as other assets, to build a T. "empire" around a coopted group to be settled in the Riverdale area of the Bronx. This included Andy' and Costas' plan of 1980, to steal the EIR by giving Andy a sixty percent interest in an incorporated EIR, and a number of concrete efforts to steal World Composition.

This dirty operation was not, however, simply a joint concoction of the indicated witting perpetrators. In nearly all of its activities not directly related to software, Computron's management has been under the psychological control of forces integral to or directly allied with "Dope, Inc." Andy's psycho-profile was readily recognized and easily manipulated, and, in some yet undetermined way, Costas was also corrupted. The key position of the Computron employee linked to international terrorism (and, also directly to the FBI) is merely an illustrative, integral feature of the overall manipulative control exerted over Andy T. in particular.

These two conducted a fairly effective operation to keep NEC members from auditing any significant features of the administrative processes. The Chairman was isolated from direct audit of these matters, both by security problems and by the obligations of the presidential campaign. By consistently lying to the Chairman, but also lying to the NEC respecting matters allegedly cleared with and reported in full to the Chairman, Costas used his position as chief of staff responsible for administration to keep other NEC members from exploring matters under his supervision.

This was complemented by a persistent slander and harassment operation against various NEC members, beginning with a dirty operation which Andy and Costas jointly ran against Nancy Spannaus and Ken Kronberg (most emphatically) beginning October 1978. A different slander and manipulation operation was run against Carol White, against Allen Salisbury, and Christopher White. As a result, the NEC was confined to political-intelligence and political-policy matters. Costas' and Andy's policies respecting administration matters could not have been challenged effectively except by NEC action to suspend Costas from his duties for refusing to make competent disclosures. The unwillingness to organize such a challenge to Costas' raging dictatorship during the difficult period of the election-campaign was key to NEC toleration of a situation whose monstrous implications it did not even suspect.

Following the New Hampshire primary, Costas' and Andy's policy was to reduce the campaign to relatively token proportions, permitting just enough effort to be maintained to lull the suspicions of the Chairman and others. Except for television broadcasts and literature, there was virtually no campaigning after New Hampshire except for Wisconsin and episodes in Texas apart from the security-linked tour operations! The priority was funneling a growing amount of support to Computron, a priority which reached a point of crisis during Costas's and Andy's efforts to tear down security during the midst of the August convention, at a time when an imminent terrorist attack on the presidential candidate's party was the subject of a general security alert among some law-enforcement agencies as well as the various security organizations immediately dedicated to the candidate's safety. Why the conflict? Funds diverted to Computron had been so large that to cover security requirements, Andy would have to relinquish some of those funds.

This crisis, concealed from the Chairman at the time, was the subject of several days of heated discussion, with Warren Hammerman opposing Andy and Costas, during that period, as well as a massive interference with security itself, with Andy's participation.

Furthermore, although policies for the immediate period thereafter were discussed and adopted with participation of the Chairman, all of those policies were immediately countermanded, without informing the Chairman, thereafter, at the instigation of Costas and Andy.

This state of affairs came to the attention of the Chairman only during October and early November, as a result of a series of incidents which showed conclusively that Costas had gone effectively insane.

This series of incidents should be summarized here, since it indicates the crucial features of the problems and how they were finally uncovered in full.

EIR GmbH provides European intelligence for New York. To cover this EIR cost, including communications cost, and also security costs, EIR NYC is invoiced a combined charge of about \$15,000 per week. In addition to this amount, persons in the U.S. had contributed about \$32,000 for support of Helga's election-campaigning. During late August and September, most of those sums were withheld. Toward the last of September, funds due Europe were diverted to Computron weekly, bringing Europe to the point of irreparable financial collapse. In October, Uwe Friesecke attempted to communicate to the New York Office the disastrous nature of the situation Costas's policies had created. However, Costas already knew the nature of the damage to Europe his subsidies to Computron were causing.

Costas spoke to both Uwe and to Helga Zepp-LaRouche at this point. It was an obscene transatlantic phone call, followed by a repetition of the same lying, venomous obscenities against Uwe Friesecke and other Europeans generally to the Chairman.

The Chairman succeeded in calming Costas down at that point, during an extended conversation. The Chairman assumed at that point that Costas' mental state was essentially a reflection of stress combined with what was then mistakenly believed to be primarily a problem of Costas' physical health.

In the concluding portion of that conversation, Costas described the strains on the U.S. organization with a report at least echoing the general outlines of the truth. He stated that WorldComp and PMR were in relatively strong shape, and that without their help Computron would go under. In response to this information, the Chairman wrote two memoranda outlining proposed remedial action to deal with the problems caused to

Computron by the parties Costas has described in his telephone conversation as the "Olympians." This included a security investigation of the dirty tricks being deployed against Computron.

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We must share that estimate of Andy's dealings outside of the software area.

In response to this memorandum from Europe, Costas and Andy exploded into a rage against the Chairman and Helga Zepp-LaRouche, refusing to speak with the Chairman by telephone. The circumstances and Costas' behavior showed that the chief of staff was clearly not competent mentally. At this point, the Chairman chose to schedule an immediate return to take charge of administrative affairs.

After several meetings during the first twenty-four hours of the Chairman's return, during which both Costas and Andy T. lied sweepingly on many crucial matters, Costas exploded in two successive psychotic episodes of virtual babbling during the course of an NEC meeting. During the course of the second of those two psychotic episodes, he stormed out of the meeting, and has never since attempted to resume active functioning. Subsequently, as his behavior became increasingly deranged and uncontrolled, it was necessary to suspend Costas formally for reason of his mental condition.

The cases of the damage to Colombia and Europe are merely outstanding. Their significance is that they demonstrate in the most concentrated way that Costas' and Andy's actions in these cases were infamously immoral. However, in case after case, material damage and psychological injury were done to one after another element of the organization's structure. The same immoral looting of the organization in favor of Computron being exhibited in the Colombia and Europe cases had been practised against the organization generally.

The out-of-pocket damage is only part of the picture. The total payments from the organization and its vendors to Computron over a twelve-month period from November 1979 onward was just under \$1 millions, most conservatively, of which at least a half-million was unjustified. This involves payments and accruals in excess of payments. Contrary to Costas' and Andy's lying, at no point was there a net position accrued in favor of Computron in the balance of such flows. Naturally, the connection between accruals and payments—crises being time-determined, the full impact of the crisis of unjustified accruals to Computron hit the organization and its principal vendors during the September-December period, with effects of a variety known to every vendor and to every part of the field organization.

Without this looting, there would have been no painful cash-flow crisis during the latter half of 1980. On balance, all of the flow of unjustified payments to Computron by the organization and its vendors was to subsidize the greater margin of cost for sheer, non-software-related mismanagement by Computron.

It should be emphasized that there never was a proper business purpose involved in subsidizing Computron with unjustified business payments—in the interest-free banking for Computron by the organization and its vendors. A copy of the business proposal being circulated by Computron—for which foreign trips each costing up to tens of thousands of dollars have been repeatedly made—received from a source solicited by Andy T., shows that he has been peddling a deal seeking 10% of a project for \$3 million which has a competitive value such that \$3 millions would be worth not less than 75-85% interest. This view is shared among a variety of persons representing aggregately typical leading investors in the United States, including those with decades of experience doing business in the Middle East. The estimate of Andy's proposition in the business community is that he is a "bull-shit artist" and a "paper-hanger," who has been repeatedly turned down essentially on an unfavorable appraisal of his character as a businessman. That has been the consistent appraisal received from a number of leading business people.

What has been happening is that Andy's propositions have been turned down flat at inception by nearly all business contacts he has approached, except by persons linked to "Dope, Inc.," who continue to string him along, trip after trip, without ever making a definite commitment. Simple: no businessman in his right mind would accept Andy's 10% for \$3 millions offer. They would (and have) reject him at first presentation. However, certain interests have been stringing him along, after all legitimate contacts have rejected his proposition. These latter contacts are all persons directly allied to forces which are dedicated to the stripping of the organization and its principal vendors. That is the project the organization has been underwriting! That is the end to which Costas and Andy connived to loot the organization by deceit.

This self-esteemed "world-class business operator" albeit one of the worst "paper-hangers" and "con-man" personalities known to our experience—after examining some of his business arrangements, is nonetheless a foolish little sardine swimming among real sharks, who have been playing with him and laughing at him, because they will to perpetuate the arrangement under which he and Costas were looting the organization. Apart from the damages traceable to out-of-pocket losses, there are principally two other kinds of damage.

The first of these two is the loss of income. For example, but for this swindle, three books would have been on the streets during October and November: *The Ugly Truth About Milton Friedman*, the Khomeini book, and the new edition of *Dope, Inc.* Just as the looting of WorldComp back in 1978 grossly damaged the firm's operating capabilities and income during the following period to date, so the looting of the organization and its principal vendors destroyed significant portions of income-producing capacity.

The second class of damage is psychological.

Our political capabilities have significantly improved over the course of 1980, while our influence and scope of outreach has expanded geometrically. Both political-intelligence and security operations have produced outstanding accomplishments. Except as essential political functions were looted by administrative policy, the quality of political output and effectiveness of that output have been greatly increased over both the two-year period and the 1980 period.

The political problem in the organization is located in the effects of the spill-over, through Costas' direction of administrative functions, of the same, immoral, apolitical policy Andy maintains within Computron and attempted to impose upon both WorldComp and PMR beginning the Autumn 1978. Later, Andy attempted to move into to take effective control of FEF in the same manner, inhibited by Dr. Morris Levitt's willingness to tolerate only so much abuse from that quarter.

The center of the problem was in New York, where Andy and Costas worked toward developing a Riverdale clique, into which they hoped and worked to introduce a corrupted attitude of "professionalist" contempt for "political" work. Ideas of "professionalism" congruent with the myth of "Andy the professional business genius" filtered through administrative decisions, and also orders barked with venomous, dictatorial savagery, into many aspects of the organization's life. In place of political objectives for deployment, the monetary needs aggravated by Andy's hunger for subsidies were often degraded into an end in itself, even to be served by any means which accomplished such ends.

How silly. A Computron, earning in the order of \$2 millions

margin a year, which we have subsidized to the tune of \$500,000 or more this past year, has the combined stupidity and arrogance to profess, out of the fulness of its mismanagement of its own affairs, that we who have subsidized it lack knowledge of how to earn money! Not accidentally, wherever a local has been hornswoggled into accepting from Costas et al. some approximation of Andy's nonsense about "sharp business practices," we have seen the fall in income which resulted.

That apolitical corruption is what has to be weeded out of the mind of members directly and indirectly abused by Costas' administrative practices.

Computron Policy

Almost entirely because of the organization's members employed there, Computron is the best software house of its kind in the nation, with the highest productivity and quality of output of any firm. It has other tangible assets, too. Therefore, the firm is susceptible of rational reorganization.

Objectively, the deal Andy is peddling under the proposal to give 10% for \$3 millions could be cleaned up, freed of the sheer bullshit of the extant proposal, and transformed into a viable proposition for \$3 millions at 75-85%. On paper, that would extricate Andy from the horrible tangle he has created around himself through irresponsible business practices.

However, no investors would give Andy continued majority control of management in such an arrangement. Andy has skills, provided he is controlled on a firm leash, provided he is in a position to take orders as necessary by persons qualified to give them. Only if Andy surrenders Board of Directors positions to credible persons would investors accept what is otherwise a sound business arrangement of the sort indicated.

If Computron took the course indicated on those two points, a painless correction of the damage done to both the organization, its principal vendors and Computron itself could be facilitated.

In any case, whether that or some other arrangement is to be adopted, we are isolating the Computron problem as a business responsibility of the administrative functions of the national center.

We are going to waste no more precious, avoidable effort or concern on this matter insofar as the organization generally is concerned. Except as we have indicated, the work of the organization is too important to waste any further avoidable efforts on corrupted fools who lack the moral sense to save themselves.

We have been betrayed and swindled. Let us free ourselves from the aftereffects of Costas' betrayal of the human race, hoping meanwhile for his restoration to mental health and morality. Simply rip out of the habits of practice all vestiges of Costas' mismanagement, as indicated, and move on to what is important to be done.

Further Work

During the period immediately ahead, there will be a number of changes beyond those indicated at the outset here. We plan to increase the field deployment of trained organizers by between 20 and 30 in total, to increase the intelligence staff significantly, and the security research functions modestly. This and other gains will be facilitated by rationalization of expenditures for communications and by cost-saving and income-increasing assistance to our vendors.

Memo

January 22, 1981

The "LaRouche-Riemann Model" Problem

From: Alice Roth

It was by no means an accident that on the same day that Costas Kalimtgis was maliciously slandered at a national office briefing, a memo was also issued by Lyndon H. LaRouche on the "Riemannian" model project. I viewed that memo as a deliberate insult not only to myself but to the entire modeling staff and especially to the leader of that project, Uwe Henke.

LaRouche said, "First, it should be reemphasized to all members that every fundamental 'discovery' to be presented through the vehicle of the LaRouche-Riemann 'model' was effected decades ago by me, and was either elaborated or efficiently identified in such sources as 'Dialectical Economics.' Nothing is being done currently but to translate those relatively long-standing discoveries into appropriate Riemannian terms of mathematical physics."

If I had thought that there were no fundamental discoveries to be made in economic science, I would never have undertaken the project. Indeed, as I learned in plunging myself into this work, there is much that is yet to be properly understood in this area and there are few, if any, "pat answers." What was particularly annoying to me was LaRouche's petteiness in claiming that no one could possibly surpass his "1952" accomplishment and that all we mere model staffers had to do was to put it into the correct mathematical form. It's clear that there is a great deal of difference between the initial formulation of an approach for tackling a problem and the actual process of solving that problem. We may have important insights and clues concerning how nuclear fusion may ultimately be realized based on an advanced epistemological viewpoint but we have not yet succeeded in achieving fusion power. I will certainly applaud the person or group of persons who accomplish that feat, and would never dream of denigrating that accomplishment because "LaRouche already made all the fundamental breakthroughs in 1952."

The second point I would like to make is that for many months I was struck by the fact that there was a serious flaw in the model work—namely that there was no room in our model for the "subjective" side of the economic process. Many years ago I was impressed by Rosa Luxembour's point that this "subjective" side—that is, the credit system or fictitious capital—is just as ontologically real as the so-called objective, tangible side. Was that not the whole point of her devastating critique of Marx's attempt to construct a mathematical model of the economic process? Essentially, the credit system and its development reflects the "creativity" of society's ruling public and private institutions in their efforts to either facilitate or sabotage the development of the productive ("objective") forces. Of course, this is something which evades mathematical formulation just as it is impossible to model individual creative breakthroughs in basic science and technology.

Because our so-called Riemannian model ignored the credit system, it was utterly useless for any kind of work involving short-run developments—i.e., the "quarterly forecast." Yet it was demanded that we constantly produce such projections at a moment's notice for EIR. The best the staff could do would be to first figure out what seemed to be going on *politically* in the business community and among policy circles and then attempt to generate computer graphs that matched our already-arrived at assessment. I found this degrading and intellectually dishonest. We were representing ourselves as one more "delphic oracle" among other competing "delphic oracles." But the tools we were using were even less sophisticated than the Keynesian-Friedmanite rubbish we claimed to be replacing. The

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only thing that saved the project was that our political intuition occasionally was more on target than that of the competition.

What was most significant about LaRouche's memo, however, was his insistence that "morality" was the key to the model staff's problems. Yes, morality is the keystone of any scientific endeavor. But LaRouche issued this memo at the very same time that he flew into a *psychopathic rage* against Costas Kalimtgis just because Costas hubristically took LaRouche on concerning the severe financial crisis which was threatening to collapse the organization and demanded an international financial plan.

Last weekend, LaRouche's rage against Costas became homicidal as evidenced by the charge that Costas was a "KGB pawn." This is evil which cannot be compromised with. At the moment I read that memo, I decided to resign and I urge all others to do so.

Security: KGB Footprints Around Computron

by NEC/NCLC

NEW YORK, Jan. 23—The following urgent security information is for the knowledge of ICLC members only.

Generally speaking, the time for justified anger against Kostas's and Andy's deception and looting of the organization (over the period since October 1978) should be considered past. Too much time, too much effort more profitably devoted to practical work, are consumed by the labor of even those relative few who must clean up the mess Kostas and Andy made of our internal affairs. However, in the controlling environment around Kostas and Computron there are included a predominant role by Dope, Inc., the FBI and its corrupt agents, and a significant involvement of the Soviet KGB.

Since the IMEMO forces, which control at least predominantly the Soviet KGB's foreign-intelligence operations, are currently escalating their attacks against the ICLC internationally, it is urgent that members know how this is reflected in the Computron situation.

1. Highlights of KGB Attacks on the ICLC

The first known indication of an IMEMO-KGB attack on the ICLC dates from February 1973, the first known active phase of the targetting of Konstantine George (Jannis) which led to his attempted brainwashing by East Germany security officials. It is significant that this dates the attacks to approximately one month prior to the deployment of the CPUSA in what were intended to become homicidal attacks on members in Philadelphia. It is also relevant that the FBI was complicit in those latter attacks.

This is, as we have stated, the first definitely known instance of a KGB-related attack on the ICLC. However, there were two earlier attacks on Jannis which fit so closely the same pattern that an open book must be maintained for the present on the identity of the forces behind them. One case was a murderous knife-attack, from behind, following a significant achievement by Jannis a very brief time earlier. The other was a case of serious food poisoning, in which Jannis and Luba were the only restaurant patrons affected.

For such reasons, we have classed Jannis' present, severe illness as "suspicious," pending a change of classification of its etiology from the present "cryptic" category.

During a more recent period, there was a pattern of harassment directed against about forty members working part-time or full-time in the composition trade. Although the authorship of this dirty operation focussed investigations on convicted Col. Zwi Aldouby and his Dope, Inc., connections, the harassment was all of one piece with the cases of Jonathan and Kathy Leake. Not only did Jonathan avow that the contamination of him was Soviet, the operation was in fact run through a Soviet asset, an asset which also approached us with the offer to produce Brezhnev's memoirs.

The overall pattern of KGB actions against the ICLC is in-structive.

From February 1973 into the end of 1973, KGB activity against us was focussed on the option of assassinating LaRouche, as FOIA releases indicate, and as the movements of Puerto Rican terrorist friends of Jose Torres' family indicated to us then the first on the list of probable evil-doers serving Gus

Internal Memorandum
National Executive Committee, ICLC
January 23, 1981

Following a one-day disappearance, Alice Roth distributed a two-page statement whose only explanation, from its internal contents, is that she was brainwashed in some way. The statement attacks in an eerily irrational way Alice's own deep commitment to her work and the model, and concludes with the wild assertion that LaRouche attacked Kostas because Kostas allegedly "confronted" LaRouche with Kostas' demand for a comprehensive "international finance plan" for the organization. In "I.D. Format," the abrupt personality change represented by this pathetic document, more or less attests the "Chinese brainwashing" method of attack—"therapy" employed by the Rabbi Maurice David circuit associated with Dennis King's past.

Kostas may have been a factor in this, since in his present, "Mr. Hyde" state of paranoid-schizophrenic rage, he would be the sort of person a brainwasher of the David variety would consider an appropriate tool for an "attack" group. The mentally-disturbed Robert Cohen is also involved in this, through Don Roth.

End of Internal

Hall's whims in the matter. From late January 1974 until October of November 1977, there is a very low profile of threats from IMEMO and related sources, and no indication of such involvement in the August 1977 targetting of LaRouche for assassination by the Baader-Meinhof gang.

As of either October or November 1977, the IMEMO deployment is visibly aversive, including a level and intensity of public attacks without precedents.

The pattern of attacks against the ICLC by IMEMO and allied sources correlates with the ebb and flow of IMEMO's successes in bringing Soviet foreign policy into congruity with both Willy Brandt's Socialist International and relevant elements of British intelligence and finance. This intersects the ebb and flow of the factional situation inside the East Bloc. This aspect of the matter is generally understood clearly enough by most members, and need not be restated here in further detail.

There is a second dimensionality to this business, of which members are generally aware, at least in broad terms, but perhaps not in sufficient detail. It is to that second matter that we turn focus of attention next.

2. Caught Between Spooks

Our Autumn 1975 evaluation of the implications of the Hilex '75 NATO exercise had two immediate effects. Generally, within the intelligence community, it produced a startled recognition of our unusual quality of intelligence-evaluations capability. The FBI exploited that fact to argue that we could not conceivably have discovered such an accurate assessment of Hilex '75 unless we had either purloined "Cosmic" documents from NATO Brussels headquarters, or had such information slipped to us by the Soviets. The FBI used that argument to run a top-secret, international harassment operation against the ICLC under code-name "Kwaterbak."

The second result is more interesting. Knowing that the FBI operation against the ICLC was nonsense, that there was no KGB control over us, some of these gentlemen began evolving a grand game.

Since we represented an extraordinary private political-intelligence capability, it was not difficult for certain gentlemen in the intelligence community to convince the Soviet leadership that we were a CIA operation, and to convince credulous, unwitting members of the Western intelligence-community that we "must be KGB." Although this two-way deception-operation did contribute to the containment against the ICLC, there was another purpose, other than containment, involved.

In brief the Soviet KGB responded to us out of their induced conviction that the ICLC was a special, high-level kind of CIA asset or operation, and to cause information to be transmitted in our direction on the assumption that our address was a special channel for communicating policy relevant information to top policy-making circles of the U.S. intelligence community. Naturally, since we always evaluate and put our own construction on any interesting policy-relevant information gathered, leading policy-making circles of the intelligence-community could read our assessment of such information gathered in New Solidarity or the Executive Intelligence Review, and obtain the raw information through the massive National Security Agency tap on all our mail and telecommunications internationally

In view of the fact that the quality of our performance in political-intelligence work corresponds, at least, to the quality of the best private or official agencies—if not in quantity, it was not difficult to convince the Soviets that we "must be CIA," or to convince unwitting members of the western intelligence community that "they must be KGB." More recently, much of the

illusion as worn off. Only a few fools still take seriously the libel that we are linked to the "KGB." Although our interface with personalities of the intelligence community is obvious enough, few are silly enough to imagine that we are CIA assets, or, indeed, anything other than we profess ourselves to be. For a significant period, however, the belief of the unwitting that we were either KGB or CIA was widespread in intelligence circles, a widespread delusion which was not without significant consequences for the spook world as a whole.

So, a total National Security Agency mail and telecommunications surveillance was placed over the ICLC world-wide. Our intelligence was tapped daily, chiefly in this way, and larger or more concise excerpts were relayed from NSA to scores of authorized recipients daily.

A "dog and pony show" was arranged to cause the Soviets to presume that we must be a very special quality of CIA operation. The relevant smiling gentlemen in the intelligence community then sat back waiting to see how the Soviets would react to this deception. This was particularly significant during the period the Carter Administration was destroying most of the bridges built up between the U.S.A. and Soviet intelligence and military communities over the years. We appeared to be the potential open channel to which a Soviet representative or news service could pass policy-relevant information into high-level channels of the U.S. intelligence community. Indeed, always out of the blue, so to speak, we were passed that sort of information on Soviet initiative. We transmitted it from Europe or elsewhere to New York, knowing that the NSA would have passed the information to the relevant circles in the official intelligence-community before it reached Nancy Spannaus's hands in editorial. On a number of occasions, there were early reactions delivered to us from the intelligence-community side which proved without doubt that the NSA telecommunications intercept had been made and forwarded in exactly the manner we supposed.

Naturally, there were occasional efforts to "play us." We made it clear that we would under no circumstances follow a policy with which we did not independently agree, and the efforts to "play us" stopped in the main. The essential point, on the game-master's side, was that it was neither useful nor necessary to attempt to bring us under control for the purpose of the game being played. As long as some slow-thinking folk believed that we were CIA, and some other foolish folk believed that we KGB, our mere continuing our own policy of independent intelligence-work kept the game on the field.

There was only one qualification to this. Some folks who were witting of the game assessed Kostas and Andy as "potential KGB assets." Unlike the FBI's meatheads, these gentlemen knew the truth about Kostas. However, they did assess Kostas and Andy as the two persons in the organization's influential circles who might, under some circumstances, be influenced by the KGB. Therefore, they viewed the classification of Kostas and Andy under "counterespionage/foreign/KGB/Athens" as merely a considerably exaggerated evaluation of a mere potential tilt.

Therefore, within the overall grand game being played, Kostas and Andy were players of special significance. They were viewed as persons who, together, might seek to open a certain kind of contact to the KGB under certain kinds of circumstances. Not because Kostas was viewed as having a witting intent to do so, but because the potentiality for developing such an intent was estimated to be included in their overall psychoprofile and their KKE-oriented sense of "Greek family identity."

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That would not be a ridiculous assessment of the potentials. As long as Kostas continued to be morally self-defined within the body of the NEC and NCLC more generally, this potentiality was nullified. However, most intelligence agents are, virtually by definition, apolitical persons. They are political only in the sense of "family loyalties," rather than independent political process of judgment. A former Communist, raised in a Communist family, but turned apolitical, and concerned with matters of "earthly paradise" is the sort of personality the KGB could "control," whereas independently political people, who can not be such dutiful zombies, are intrinsically unstable under control.

That, we must assume, would also be the assessment of Kostas' and Andy's potential from the side of KGB recruiters. If such recruitment has not occurred, it remains likely that an attempt at recruitment would be made. If such a recruitment were attempted, it would occur with the blessings and environmental assistance of the FBI.

This, apart from the special case of Kostas and Andy, defines broadly the second dimensionality of IMEMO-KGB interest in running operations against the ICLC. We are currently still viewed by the KGB as an important, special sort of asset of either the CIA or of some section of the military side of the U.S. intelligence community. They will tend to act against us accordingly.

3. KGB Links To Computron

The KGB has a twofold significance for Kostas and Computron. First, the characterization of Kostas and Andy as subjects of "counterespionage/foreign/KGB/Athens," is the only aspect of the ICLC membership which is documented as still subject to such an aversive classification. This means that the FBI, ONI, et al., can "legally" run dirty operations at and around Kostas and Computron which are outlawed under present guidelines against all other targets associated with the NCLC. It is true that the FBI does run dirty operations against the NCLC through its officially-classified "agent in place," the Anglopagan Defecation League (ADL), but in that case the ADL does its evil under private cover. The KGB is also a very real problem for Computron in its own right, as well as a pretext for the FBI-ADL operations being deployed.

One employee, in particular, is a member of the political-cover organization for the Armenian Secret Army. This mother-organization's conduits in the United States are long-standing joint-assets of the FBI and KGB. Another instance, in Paris, intersecting both Computron and this particular employee, is a private front-organization of long-standing for the KGB.

Although Andy has already been delivered conclusive evidence of the existence of this problem as a problem, no significant action has been taken to deal with this on his side up to this time. This and related problems have been stalled for approximately a month and a half.

This KGB contamination is only a dirty part of a picture that is immensely soiled all over. Among all Andy's active contacts outside software matters, he is being played like a yo-yo by financial and other interests which are either witting, Dope, Inc., adversaries of ours, or equally-evil allies of Dope, Inc. in respect to terrorism and other filth.

The reason for this is largely explained by the old saw, to the effect that the best target for a swindle is a confidence-man. In business matters, Andy is, on record, a completely immoral chiseller and worse. In such matters, his mind is never able to acknowledge the existence of reality except from the depths of a manic-depressive's depressive cycle. He operates on the basis of fantasies, fantasies directed to bamboozling persons with

whatever mixture of half-truths and outright lies will, according to the fantasy, talk the victim into doing what Andy desires. Reality for Andy is the reality of being able to tell wild stories which can swindle dupes who believe such stories into doing as Andy wishes.

Over the recent two years, that mental problem of Andy's has manifestly become progressively worse.

There are three key features of the overall pattern by which Andy has plunged himself into his present embarrassments. 1. Relying on looting of NCLC assets as a major source of capital for such expenditures, since October 1978, Andy has been dipping into the resources of NCLC to fund his investment in developing and promoting a word-processor. Rather than facing reality respecting the needed capitalization of such a venture, Andy, with Kostas' complicity has become addicted to dipping into the resources of the ICLC to cope with each emergency caused by his gross mismanagement of Computron. His moral defense of such practices is that what he has extracted from the ICLC, chiefly with Kostas' complicity, falls into the category of "lawful prey." His last defense against the charge of using deception to loot the ICLC is caveat emptor. 2. He had developed a fantasy concerning himself, that he is a "world-class business operative," in the footsteps of Onassis or Niarchos. He is, in such matters, really a poor little sardine pretending to be a shark. No amount of evidence of his incompetence in management, or of his dubious nature of the devices by which he paints himself a brilliant operator, dents the delusion that he is the equivalent of a "world-class yacht." 3. In keeping with his obsessive fantasy-life, he has been peddling a proposition which every honest investor rejects immediately, but which Dope, Inc.-linked adverseries of the organization continue to go through the motions of encouraging him to pursue with them.

The crux of the deal is this. According to a proposal outlined by Andy and presented to a member of the notorious Triad group over the signature of "Special Project Director Ray Kasberian," Andy has been soliciting \$3 millions to purchase 10% interest in project, for which the probable value would be at least 75% of the project, out of which Computron software would be paid about \$1 millions and would also have a 15-25% interest in the shares of the endeavor. Naturally, every honest prospective investor has turned him down promptly. The Dope, Inc.-linked crowd teases Andy along, playing him like a yo-yo. Numerous trips costing tens of thousands each for Andy and other Computron representatives, have been thrown down the sink-hole in this lunatic pursuit of an obsession. In net, the NCLC paid for this out of resources looted from the ICLC with Kostas' complicity.

There are other aspects of this overall matter which the NEC has chosen not to report, chiefly for the sake of Andy and other more innocent owners and employees among Andy's and Kostas' dupes in this matter. It is fair to say, that no investor with business experience would make any investment of any kind in Computron as long as Andy remained President of the firm or a majority stockholder. Andy's track-record, as shown by any reasonable audit of transactions, would lead any experienced investor to insist that Andy's executive control over the company and financial holdings be generously subordinated as a precondition for assistance.

Apart from software, Computron has not a single honest prospect of business or investment, and he is operating amid the shards of his aggravated mismanagement in an environment controlled by Dope, Inc., the FBI, Roy M. Cohn, and the Soviet KGB. On the basis of lack of manifest morality in business transactions, his refusal to make peace even with the friends he has looted by deception when that is offered, the probable course of events is that Andy would go down in the shattered pieces of one

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last grand scam-effort rather than come to his senses to adopt a sane course of action. Unfortunately, this occurs in an environment in which all sorts of adversaries of ours, including the KGB, would be easily capable of pulling poor Andy's string. At this point, Kostas would encourage that—since the ICLC is no longer willing to be scammed, and the FBI would go into whatever passes as a substitute for fits of laughing with joy where the KGB to be approached in that way.

In this circumstances, the NEC must act not only on the basis of the ugly, immoral picture documented before it, it must also act on the basis of the obvious security-contingencies embedded in the situation.

4. Kostas As A Security Risk

Kostas' mental state is visibly degenerating rapidly, reached the level of death-threats against several named NEC members.

This is in keeping with the oedipal rage he has acted on in the past in brutal beatings of his son. Since the manic-depressive cycle is based on oedipal rage, and since Kostas is currently in a downward spiral of paranoid-schizophrenic degeneration of his personality, the oedipal rage will increase in intensity, and in shaping his judgment. The KGB is an oedipal cathexis for Kostas. A well-defined security risk exists presently on that account.

January 24, 1981

The National Executive Committee
National Caucus of Labor Committees

It is with great sadness that I am submitting this resignation from the International Caucus of Labor Committees. I have delayed this action until now in the hope that, somehow, the NEC would find the courage to deal with the LaRouche problem. It is clear to me now that this will most probably never happen and that the organization is currently morally bankrupt.

What morality can remain in an organization which permits one man to scapegoat his closet collaborator for carrying out those policies which he himself initiated? What possible excuse can be made for allowing Costas Kalimtgis to be crucified by a howling mob of looted members, in order that a catharsis could be safely directed away from the man whose policies had caused the problems in the first place.

No one can any longer remain in the ICLC who is not a coward, a sycophant, a liar, a fool, or some combination thereof. Mr. LaRouche has insisted that the membership accept as true what they know cannot possibly be true. They must deny the existence of an article in the August 22, 1978 issue of New Solidarity as an oath of personal loyalty to Mr. LaRouche. They must accept as plausible that Mr. LaRouche can know as his closest collaborator for a decade a man who becomes a moral imbecile over a period of more than two years, and that this can totally escape his notice, while at the same time proclaiming Mr. LaRouche to be possessed of the greatest psychological acumen of any person alive. If no other evidence was presented, the timing of this Jacobin catharsis alone—following Election Day and preceding Inauguration Day—would cause any person with a mind to wonder at the convenience of the period chosen to effect this operation.

For anyone to replicate the drivel arising from Mr. LaRouche's recent series of "memos," either because he forces himself to believe it or because he feels that circumstances force him to mouth it for expediency sake, is to degrade him or herself to such a degree as to render him or her unfit to be called human.

I am ready at any time to rejoin this, or any other, organization which can deal with this problem. I have but scant hope, however, that this organization can do so.

Sincerely,
Eric Nelson
(signed)

January 26, 1981

To: The National Executive Committee, and NCLC membership
From: Anne-Marie Vidal Sawicky

(1/26/81)

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Open Letter To Lyndon H. LaRouche, Jr.

I joined the National Caucus of Labor Committees in January 1973. I was originally motivated to join because of an intense intellectual atmosphere which was concretized in programmatic organizing to build a class-wide movement. I have always considered myself a loyal cadre and a good organizer. Like any other NCLC member, I have endured physical and financial difficulties during my membership. These I neither regret or bemoan; I never fooled myself that being a Labor Committee member would be easy.

I did, however, expect that as an LC member that reason and morality would be the guidelines in any internal or external political discussion. The recent series of memos written by Lyndon LaRouche are a violation of reason. LaRouche has subjected Costas Kalimtgis to a trial by memo, having pronounced Costas guilty without bothering to produce evidence. LaRouche's tactics would make Mao's Cultural Revolutionaries blush. But more seriously, LaRouche has cynically destroyed that very moral and intellectual atmosphere he sought to create. At the present, an LC member in good standing must swallow whole LaRouche's claims that Costas is a paranoid schizophrenic, Andy T. is a thief, and Alice R. has no independent mind.

It is hardly original for a leader of an organization to deal with inquires or skepticism by sounding the alarm of "intelligence agency's dirty tricks" to inspire the membership to complete obedience. This has been the case in totalitarian organizations before; it is the case in the Labor Committees now.

There is a hideous immorality in LaRouche's manipulation of the NCLC membership. There is an cowardly lack of morality in the NEC's response. If I were to accept LaRouche's lying assertions of Costas' insanity or Andy's thievery, I would have to admit that the NEC stood by and watched themselves be robbed. This would hardly be indicative of world historic leadership. If Andy and Gus are being slandered—which I emphatically believe—the NEC is cowardly in not informing the membership of the truth.

Because the NCLC no longer exists as a humanist organization capable of building a political movement, I resign. This has been a difficult decision but the only appropriate one under the circumstances. I urge all members to take the same action.

Anne-Marie Vidal Sawicky
(signed)

Dear Lyndon:

Last week I received an abusive phone call from Jeff Steinberg who in the course of the discussion harranged me about Bob Cohen's "pimping" (for me!) and my "factionalizing." My wife has also been repeatedly confronted with such abuse. I wish to reassure you and others that I would never degrade myself by allowing myself to become the instrument of enemy efforts to demoralize or destroy the membership of the organization which I spent so many years in building.

I shall always retain for you the same respect I had in 1968 when in the course of a single lecture you communicated the connection between creative mentation and the lawfulness of expanded reproduction in a way that resolved for me the most crucial problems that I had been grappling with for several years. Furthermore, your independent discovery, which allowed you to develop economics as a science and the further elaboration of that discovery through a political process which you initiated is a matter of history. These accomplishments are not subject to opinion or to rejection on my part due to ephemeral disagreements on other matters. If, therefore, others, be they misguided individuals or agents, choose to "rally around" my person, I hope that you will spare me the humiliation of ascribing to me the responsibility for such an occurrence.

I must nevertheless inform you that I have been under continuous pressure to respond to your memos by very responsible members who interpreted my silence as a sure sign of guilt. They could not understand, nor did I dare to explain to them that I had realized from early on that any attempt on my part to defend myself would be met by the most virulent outpouring of McCarthyite-like indictments. I concluded that once such a process was unleashed, the ICLC would become prey to a variety of operations despite our intentions.

My worst fears of what could happen should I have defended myself were nothing compared to the harm you did without the benefit of any response or provocation from my quarter. I shudder to think what may have ensued if I had allowed myself to be swayed by those members who demanded that I either defend myself or in silence be found guilty.

Lately I have been repeatedly amazed at your miraculous ability to weave rumors, lies, facts, half-truths and international developments to suit your purpose of the day.

It is the same disregard for truthful facts that characterizes every piece of filth that you have circulated about me. You accuse me of attempting to strip your security during the Democratic convention even though you knew full well that I was incapacitated at the time, with absolutely no power to determine policy even if I had chosen to. Again you lie when you charge that I chased business ventures and used the organization to that end when you possess all necessary knowledge of how I repeatedly tried to sell off future business assets, and business ventures to meet our immediate political and security needs.

I find it too tedious and demeaning to defend myself against every new lie which you and your minions concoct on a daily basis. I have lived my entire life according to a dedication to humanity which my parents instilled me with. I have been active politically towards that end since I was 12 years old. I have never benefitted nor have I sought benefits according to the standards of banalized society. Under no circumstances would I, or could I be influenced into making political decisions based upon "family, sex or money" consideration. I would prefer suicide

before resorting to such degradation, and indeed my record in the organization is a testament to that fact no matter how much slander you circulate in order to obliterate that truth.

Your actions over the past two months have proven to me that even though you are of great accomplishment in the realm of science and philosophy you are deficient in statesmanship. You lack an indispensable quality Plato calls 'sophrosene,' a term usually mistranslated as 'temperance.' You have made yourself a prisoner of a cult of infallibility around your person, and you have manufactured a chain of security rationalizations to prevent discussions on any matter, even on the most inconsequential detail, whenever such a detail threatens to pierce the cult of your infallibility.

On any such occasion you resort to alternatively bludgeoning (and stroking) the individuals involved until they submit, often by using the most despicable modes of psychological manipulation. Despite your commitment to truth in other matters, you find it appropriate on those occasions to rewrite history and to lie lest you be proven wrong. That is why you did not have the capacity to retract the lies you uttered when you returned from Germany. Though I gave you no occasion to find fault with my conduct—since I remained silent and isolated—you became even more obsessed and wrote memo after memo and thus became prisoner to your own lies. Each new memo with its fresh findings was written—not to me, but in response to some member who had been foolish enough to express some doubt; doubt which was then reported to security and which you felt compelled to respond to by inventing more extravagant slanders and crimes. First, you called me a liar, a thief, classified me as clinically insane and because there was still doubt in the membership it was only natural that the next step was to connect me to some form of agency. You have thus created a situation which has left no alternative for me but either accept your infallible falsifications—accept that I am insane, immoral and have been so since the fall of 1978—or to resign from the organization.

I have chose to resign, because it is my responsibility to do so. I can not allow you to create a precedent whereby anyone can be subjected to charges of insanity, and backroom frameups because they choose to disagree with you in an honorable and proper way. Furthermore, I will not fall into the trap of defending myself against charges which could put members and even yourself in legal jeopardy. Unlike you Lyn, I do not say to myself that "even if I were put before 10 grand juries I would tell them that I knew nothing..." You have rejected every appropriate forum within which I could have presented every sensitive fact. You also knew that I was not about to make a public presentation of material that could irrefutably clear me of all your malicious charges, but would ultimately be used to bring harm to many members and to the organization.

If I had chosen to follow your method and to irresponsibly react out of honor, pique or self-righteousness that is what I would have done. However, over the years I have acquired, no doubt inadequately, approximations of that quality 'sophrosene' which you totally lack. I have also learned to couple that quality with a deep respect for people who despite their problems, have made sacrifices to the organization—(unlike you Lyn, who out of personal vendetta can within 24 hours degrade such people and liable them thieves, traitors, and agents.)

In that sense, despite your greatness you could not have founded the American Republic, nor could you have risen to the heights of Lincoln's statesmanship. I am afraid that you will never develop those qualities because of your psychological need to surround yourself with people who must at all time feel compelled to pay homage to your infallibility, and to even amplify your errors in these matters despite their better knowledge.

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I am not bitter, depressed or existentially enraged as I follow each day's outburst of slanders that paint me as the new Satan for the benefit of the gullible. Nothing that you write Lyn can hurt me or surprise me any longer; for once the corruption of malice and lies spreads, it creates an environment from which no good can come. I am only deeply distressed at the effect this has on the membership whose power of judgment is the most important asset of the human race. We have seen repeatedly in this century the pernicious effect that big lies have had on the powers of reason of the citizenry, on whose powers ultimately the development of civil society depends.

Once the members believe that our financial difficulties during and immediately after the campaign resulted from thievery; or that the poor NEC was destroyed by me beginning in 1978; that there was no campaign because evil Kostas was stealing money.....then the membership despite its greatness will have committed moral suicide.

I wish you the best and hope for the successful implementation of the principles and policies of the ICLC.

Good-bye
Kostas
(signed)

Report on Status of National Organization

Lyndon H. LaRouche, Jr.
January 29, 1981

Since it is physically (i.e., financially) impossible to convene a delegated national convention at this time, some brief summary report of the current state of affairs is in order.

On receiving conclusive evidence of Kostas' deranged state of mind, I returned to the United States from urgent work in Europe, announcing that I was assuming direct responsibility for administrative affairs. My first actions were to assemble the National Committee, and on the basis of that action to reassemble the National Executive Committee as a functioning deliberative body in respect to administrative, as well as political affairs.

Apart from the fact that we have suffered very serious financial damages as a result of worsening mismanagement of administrative affairs over many months, and apart from a relatively tiny proportion of members who still refuse to accept the implications of very clear and ultimately simple facts, the direction of the national organization is presently in better condition than ever before, an improved quality significantly evoked by the sensed need to respond to what was potentially a very serious, extensive damage to the organization.

Although it has been necessary to deal with the concrete destruction wrought by Kostas K., the necessary focus upon that concrete problem and its immediate correlatives must not obscure the fact that these developments were caused by a still-continuing operation coordinated through the Fabian Bureau of Investigation—which has been deployed against the organization, according to FOIA records, since 1968. The role of the ADL which began its operations against us openly in 1974, is and has been essentially a reflection of its current official status, as an "agent in place" of the FBI. The overall background to this matter is adequately summarized in the public attack on the Chicago Sun-Times.

To understand the FBI's part in this one must peek at highlights of the dossier on the FBI being assembled by the security staff.

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Although the FBI has adopted criminal-justice functions, even the substance of such "gang-busters" activities has been chiefly a matter of making credible a certain needed camouflage, the manufacture of a certain public-relations image, whose function was to conceal what the Bonaparte BOI set out to be from the beginning, a "right-wing," social-democratic "Gestapo" in the United States.

This continuing, underlying character of the (text illegible) by the "Federal Witness Invention Program," and the deployment of that FBI-directed branch of organized crime in the abortive effort to smear Secretary of Labor-designate Donovan, with naked complicity of Senators Kennedy and Eagleton and a leading foul role by FBI-trained Walter Sheridan. Presently, the FBI is working in collaboration with the Ramparts-Mother Jones Collective gang, including the familiar Bo Burlingham and Andrew Kopkind, in spearheading the William Safire-initiated "mafia" reangate effort through the corrupt news media.

Robert Cohen, enraged by his wife's inability to endure his semi-psychotic fits of brutality any longer, repeatedly admitted his collaboration with "Gay" Edgar Hoover crony Roy M. Cohn in conjunction with the New York Times and Our Town, admitting that he helped to develop many of the specific lies used by those corrupt publications. Recently, Kostas has been in collaboration with Robert Cohen, as well as with Cohen associate, former LC drop-out and "sleeper," Don Roth. This merely exemplifies that what Kostas has done against the organization he has betrayed was done in an environment controlled by the FBI and the FBI's wicked accomplices.

Unlike Don Roth, this betrayal of the organization increasingly over many months, created an increasingly irresolvable conflict in loyalties within Kostas, who went insane under such increasing stress.

The point is this. Although it is necessary to deal appropriately in practice with the damage done by Kostas' betrayal of the organization, this must not cause us to lose sight of the fact that that betrayal has been merely a predicated, relatively ephemeral feature of the continuing problem represented by the virtually treasonous FBI.

In fact, the FBI is the enemy of the United States and its Constitution.

It was the FBI, together with the ONI, which collaborated with assets of the Socialist International to destroy the effectiveness of "Gay" Edgar Hoover's long-standing and dangerous competitor, the Central Intelligence Agency. The business is more complicated, as the report on the Chicago Sun-Times illustrates, but the direct and witting complicity of the FBI, ONI, IPS, and the Kennedy crowd, as well as Kissinger and Haig, is specific and undiluted, despite the larger context of those activities.

It was this same crowd which engineered "Watergate" from beginning to end.

It is the exact same crowd, including the enemies of the United States within the FBI, which is currently engineering the attempted "mafia links" Reangate operation.

Together with FBI we include the heritage of attorneys-general Ramsey Clark and Nicholas deBoer Katzenbach and Benjamin Civiletti, as well as Ed Levy, Patrick Murphy, et al. This is the combination, collaborating with the forces of Willy Brandt's Socialist International, which formed the crucial betrayal of the United States in connection with the Khomeini coup and the seizure of U.S. hostages.

It is the same elements of the FBI and corrupt collaborating elements of the Department of Justice which destroyed the drug-enforcement and related capabilities of the Federal government—as well as every other aspect of Federal law-enforcement which has been co-opted by the FBI.

It is the FBI which led in the effort to cover up the Permindex connections to the assassination of President JFK, the same FBI and ONI whose "SIS" operations of the past were coordinated by the same Major Louis M. Bloomfield who headed the Permindex organization in cooperation with Hitler protegee Ferenc Nagy.

We know the relevant elements of the FBI to be as treasonous as Benedict Arnold and Aaron Burr, accomplices of the same master as Arnold and Burr in their time. We know the FBI to be the principal official predicate of the betrayal of our nation as well as the official conduit for every dirty operation run against us with complicity of official institutions since 1968.

Although the Reagan administration has numerous Trojan horses within, including the Heritage Foundation asset of the Socialist International, Kissinger such as Haig and Allen, and the Kemp-Wanniski "delphic" crowd self-implicated in the effort to launch "Reangate," it is the role of the traitorous elements of the FBI and Justice Department which is the key pivot in all the evil operations afoot.

It is urgent that the sensuous immediacy of the internal sabotage effected by Kostas not distract our attention and energies from deploying to clean up the enemies of the U.S.A. hiding behind the status of the FBI.

The NEC is more or less fully aware of this nature of our larger problems and is focussing its efforts accordingly. The shaping of policy-decisions and related practices in respect to what might appear otherwise as isolated matters is governed by that perception.

Granted, various corrupt, immoral private agents such as the ADL are most visible in wickedness deployed against us. The official mother of that wickedness is not those private agencies; those private agencies, like FBI official "agent-in-place," the ADL and its "Irwin Sewage," are essentially fronting for the FBI, for the degenerate heirs of "Gay" Edgar Hoover.

(Undated, issued approximately January 30, 1981)

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Budgetary and Financial Policy

The Chairman of the National Caucus of Labor Committees, Lyndon H. LaRouche, Jr., has issued a number of internal memoranda to members of the International Caucus of Labor Committees. He has done so on the basis of information and facts which Andy Typaldos, President of Computron Technologies Corporation, believes to be partial and to include misinformation and with interpretation he disagrees.

Furthermore, Mr. LaRouche has repeatedly stated his wish to assist Computron insofar as this does not conflict with his responsibilities as Chairman of the National Caucus of Labor Committees. There have been disagreements between Mr. Typaldos and Mr. LaRouche concerning the best choice of course of action in the mutual interests of both organizations.

Any written statement contrary to the foregoing statements is implicitly detrimental to the separate interests of both Computron and the National Caucus of Labor Committees, two friendly but properly and legally independent organizations.

Mr. LaRouche wishes to emphasize the proper reading of his meaning in the memoranda in order to avoid derogatory character interpretations, while Mr. Typaldos also wishes to emphasize that he deplors the use of misguided defenses of his character and his actions to fashion attacks against the organization that he supports and continues to belong to. Mr. Typaldos' disagreement with Mr. LaRouche on political and methodological questions regarding their common organization, the NCLC, which they both care to defend and protect, have been discussed with Mr. LaRouche, and may at Mr. Typaldos' option be subject of an internal memorandum to add to the internal discussions of the organization.

✓ Lyndon H. LaRouche, Jr.
(signed)

✓ Andreas Typaldos
(signed)

New York, Feb. 1—Financially, the organization is passing out of the seasonal short-falls of the year-end with two continuing problems. The first of these, the "objective" problem, is the effect of the looting of the organization's funds and infrastructure at the direction of a man who was going progressively insane, Kostas K. The second of these, the "subjective" problem, is the difficulty some members experience in coming to grips with the implications of the hideously immoral acts Kostas conducted during the post-November 1977 spiral of his growing insanity. Apart from external dirty tricks against the organization, it is the second problem which is the principal cause for an aggravated marginal shortfall in field income.

Under these conditions, the clear and uncompromisable budgetary and financial policy is that the production and distribution of intelligence through the medium of distribution of publications is a matter of absolute, uncompromising priority. To illustrate the principle, if it were necessary to eliminate every regional telephone-expense in the organization in order to deliver subscription literature on time, that cutting of telephone outlays would be done without any entertaining of discussion.

At present, we have eliminated the theft and mismanagement formerly occurring at Kostas' direction. The financial management is overall excellent, within the limits determined by temporary seizure of blockheadness in some parts of the organization and associated entities. At present, the sole determinant of the amount of funds available is the level of sales performance in the field. That performance is running \$25,000 a week below what it would be without marginal blocking in the field, and \$15,000 a week below what is tolerable for balance.

The national must balance overall priorities, and will not be drawn into debates concerning pleas for individual exceptions to budgetary and financial priorities. Either the overall income-performance is increased, or regional telephone outlays will be drastically cut as a beginning of the process of trimming outlays to the level of sales performance by the field.

Granted, it is paradoxical that such a discussion of policy should be required in view of the massive expansion of the political openings generated by the 1980 campaign. Nonetheless, because a margin of the membership has been reluctant to face the full truth of Kostas' playing NC members against NEC members, and one NC member against another, a certain portion of the membership corrupted into aiding such dirty games against NEC members or other NC members has lost a margin of moral confidence in itself. It is the lingering corruption associated with past complicity with a Kostas going insane which is clearly the principal cause for the margin of poor performance.

The Chairman has stated, in this connection, that in the case any member is found repeating Kostas' lies against members—including Carol White, Christopher White,, Fernando Quijano, Allen Salisbury, Criton Zoakes—or against EC or CEN members—he will introduce prompt, disciplinary-action resolutions, no matter who that offender is. Perhaps a few such painful measures will, unfortunately, prove necessary to shock the organization into liberating itself completely from the evil, degraded influence Kostas exerted on many over the period since November 1977, since the IMEMO-KGB launching of its accelerated attacks on the organization internationally.

In brief, the effect of Kostas' resort to the old bureaucratic "KGB methods" he learned from KGB coordinators is the

direct and indirect cause of the internally-caused financial and budgetary problems of the present period. If there is any complaint to be made over the necessary implementation of budgetary and financial priorities, blame the sustained poor margin for field performance. For the poor field performance-margin, there is only one significant cause: the failure to come fully to grips with Kostas' "divide and conquer, KGB methods" for preventing any interference in his looting and wrecking of the organization.

We repeat: the absolute and unarguable priorities are: the maintenance of the production (intelligence, editorial, composition, printing, binding) and distribution of publications, with subscriptions the highest relative priority of distribution. Everything else, except security and other essential matters of the political structure of the political organization as a political organization, has automatically and non-arguably a lower relative budgetary and financial priority.

Therefore, each region and local must immediately increase gross income by 10 percent, beginning today, or the consequences of the continued shortfall in performance must inevitably begin to be felt in the regions generally. Get out there and fight politically against attempted containment; take no nonsense we should not tolerate from any source. Counter-punch; be security-alert for rumor-mongering and other "moral factors" attacks on the membership. Memorialize Gerry Rose to produce good FBI jokes, plus a few good Kostas jokes. Emphasize, please, that we mean *good* jokes.

Enough said. Get at it.

To the NCLC Membership:

February 3, 1981

A Method In The Madness?

We are issuing this statement because we feel that the NCLC membership has become overly fixated on the long overdue internal crisis in the organization and has all but ignored the fundamental shift in the external political practice and policies of the organization in recent months. The reader should be forewarned that what follows is solely our own viewpoint and should not be attributed to Gus, Andy, or any of the individuals who have resigned from their positions or from the organization in protest. We do not agree with these individuals on some points and they should issue their own statements, when and if they deem it proper to do so.

In our view, the crux of the problem has been LaRouche's propitiation of the extreme rightwing of the Reagan machine, the Jesse Helms-Joe Coors-Liberty Lobby side of Reagan. The problem was especially manifest in the closing weeks of the New Hampshire campaign but it became even more acute when LaRouche decided to swing the organization behind Reagan's campaign two weeks before Election Day. The membership was then regaled with fantasy-laden tales of LaRouche's and the NEC's "successful" trip to Washington. The Reagan administration was said to have succumbed to the obvious superiority of the NCLC's ideas and programs, despite the fact that *we had failed to mobilize a mass constituency capable of pressuring the administration to deliver on any promise.*

The reality was quite different. What actually happened was that LaRouche's "KGB agents under every bed" campaign contributed to a McCarthyite hysteria among Reagan layers in Washington. Since the inauguration, the *New Solidarity* headlines of December and January have found their way into the mouths of Reagan, Alexander Haig, and Henry Kissinger.

Each has charged in recent public appearances that the Soviet Union is masterminding every aspect of international terrorism and that "linkage" must be established on this issue to the SALT negotiations.

Reagan described the Soviet Union as bent on "world revolution and a one-world Communist state The only morality they recognize is what will further their cause, meaning they reserve to themselves the right to commit any crime, to lie, to cheat in order to attain" their goal. Brezhnev responded through TASS that the President "spoke in an unseemly manner Such words can only mean that the people in Washington apparently cannot understand the meaning of the changes taking place in the world (which) are not dependent either on the United States or the Soviet Union." In other words, there are a lot of indigenous socialist and nationalist movements in the world over which the Soviets do not have much control (which is probably a fortunate thing in our estimation, too).

To be blunt, the Reagan administration is plunging the nation into a new Cold War. If not opposed, this will be followed within months by a massive military buildup and a reorganization of the U.S. economy along "sunrise-sunset" industry lines for this purpose. To give just one indication, Caspar Weinberger has just announced that the administration plans to build the neutron bomb and deploy it in Western Europe, and will look into stationing U.S. troops in Israel.

Granted, the Soviet Union's foreign policy during the last two years has been despicable, particularly in regards to its pragmatic adaptation to the Khomeinac fascists in Iran. The NCLC was right when it belatedly condemned the Soviets for this. But does that mean that the NCLC must fuel "anti-red" hysteria in the U.S., which merely reinforces the Suslov hardliners and compels the Soviets to further their own military buildup? The pro-detente faction in Western Europe no longer has any room in which to maneuver. Reagan's tirades mean that Helmut Schmidt's days are probably numbered. The world strategic situation has taken a dramatic shift for the worse and the NCLC's role in this affair has been substantial.

We expect that the membership will be told that a military buildup is really all right because it will have technological spin-offs that will aid the economy. This is nonsense as the actual historical experience of the U.S. and Soviet Union has shown. A military buildup necessarily favors only a few, selected industries while scrapping all others, since it gobbles up most available capital goods and other resources. Rosa Luxemburg's devastating critique of military statism has been proven correct against all other so-called economists.

A military buildup will also require extremely harsh austerity measures and the destruction of the living standards of the American population. For this reason, the Reagan administration is planning Federal budget cuts, which in the words of Reagan advisor John Rutledge "will role like a panzer division across the desert." Certain Social Security programs, unemployment benefits, food stamp programs, student scholarships, and farm price supports are slated for the chopping block.

The NCLC's response to Reagan's austerity drive has been a politically impotent campaign "against high interest rates." The Reagan administration's response to this has been: "Sure, we want to lower interest rates. We will do so, as soon as we finish wringing the fat out of the economy. By the way, our only problem with Paul Volcker is that he's been too soft in applying his monetarist philosophy."

Certain individuals on the NCLC intelligence staff proposed that the organization extend its "anti-tight money" campaign to a fight to rebuild Chrysler and the auto industry, perhaps

through a program of reconversion to production of farm machinery or mass transit equipment. Such a campaign might have mobilized UAW and other trade union layers and put some muscle behind the NCLC's anti-austerity rhetoric. This proposal was ignored by LaRouche and the NEC, because it would have proved too *offensive* to the Reagan forces they were catering to, both to those rightwingers who oppose any government intervention into the economy as a matter of principle and those "dirigists" who believe Chrysler should be building tanks.

It is still possible to reverse the Reagan administration's drift into Cold War and a vicious military buildup-austerity policy. But it can only be done by mobilizing the traditional Democratic labor and minority constituencies. We believe that under the present, degenerated leadership, the organization is constitutionally incapable of playing such a positive role, and that in fact LaRouche is opposed to doing this.

The crucial question is: Why has the NCLC membership tolerated this for so long? A clue can be found in LaRouche's Feb. 1 internal memorandum on "budgetary and financial policy." The reader need only substitute "Lyndon L." for "Kostas K." throughout this memo to get a proper appreciation of what has been going on. LaRouche has merely employed the old bureaucratic trick of making someone else take the rap for his own political crimes.

LaRouche's use of "jokes" has been an important tool for psychological manipulation of the membership. For years, NCLC members have been subjected to sick "Jewish" and other "ethnic jokes." This has been used to create a "Betelheim syndrome" among particularly the Jewish and "red diaper baby" members, who were bludgeoned into rejecting every aspect of their parents; and their own political past, no matter how valid. This led to a moral anaesthetization of the members, a splitting of their intellectual and emotional lives, so that they were capable of taking political actions which violated their most basic sense of morality. (For example, one "joke" that circulated went: "How many Jews can you fit into a Volkswagen?" "One hundred. Four on the seats and ninety-six in the ashtray.")

As a result, members were able to tolerate LaRouche's statement in an August 1978 *New Solidarity* article that "only" one and a half million Jews died in the Nazi holocaust. This statement was extremely damaging to the political credibility of the organization, particularly in the Jewish community, where some layers might otherwise have identified with the NCLC's Middle East development program as well as with certain of its domestic proposals. LaRouche's statement set the organization up for the vicious attack by *Our Town* and the *New York Times*. If enough members had confronted LaRouche on this question and insisted on his retracting the statement, the damage could have been contained. In fact, some members did call for a retraction but they did not bring the matter before the general membership and were quickly isolated through LaRouche's psychological smear campaigns. We can only conclude that LaRouche's reaffirmation of the one-and-a-half millions statement is designed to keep the membership in a controlled paranoid environment.

Finally, we must state that there are many fine individuals, our former friends, who feel they must remain within the organization and who suffer under the illusion that they will be changing it for the better. We believe that under the present leadership, this is impossible. Indeed, we fear that these individuals will be compelled to use their considerable talents in the commission of political crimes which they would not even have dreamed of committing even two months ago.

To those who remain, to those who accept the radical bifurcation of their intellectual and emotional being, to those who are

willing to wait for all eternity to see "The Evidence" that Gus is "clinically insane and a KGB agent," that Andy is "an embezzler," that Don is a "sleeper," and that Alice is "brain-washed," the warning of the great humanist poet John Keats should be sufficient:

'Beauty is truth, truth beauty,'—that is all
Ye know on earth, and all ye need to know.

We further demand that, if LaRouche is serious about the charges that he has made about us, he publish these in *New Solidarity* and we will promptly resolve this in the courts.

Sincerely,

Alice Roth
Don Roth
(signed)

ICLC Internal Memorandum

Immediate Policy Against Enemy Moles

New York, Feb. 10—For reasons of very important developments today, which will not be reported at this particular time, it is the obligation of the National Executive Committee to meet its fiduciary responsibilities to the membership by stipulating a set of ground-rules which will equip the membership with efficient instruments to dealing appropriately with a network of "moles" developed in the organization under the KGB methods which Kostas employed in a concerted way over a period of approximately two years to the conscious purpose of attempting to wreck the ICLC from within.

First, since every member has been given and has absorbed overwhelming evidence of the hideous character of Kostas' offenses (if not all his offenses), any expression to the effect of alleging that "Kostas has been unjustly victimized by the NEC" will be treated summarily as a lie by the person who makes it on that spot and at that instant.

There will be no extended debates over that matter. The only discussion permitted under those circumstances at that moment is the report by the person repeating the lie of the identity of the person who transmitted such false information, and on what occasion and under what circumstances. If the person perpetrating the lie refuses to discuss such matters in a frank manner, then the immediate official body shall conduct immediate "trial proceedings," offering the person a second chance to make disclosure of the influences causing him or her to perpetrate such a lie. If the person in question refuses to make disclosure, that person shall be immediately suspended from membership, and the case shall be immediately referred to both the NEC and to security headquarters in New York City.

These are stringent procedures but under the known circumstances of the present period, such stringent procedures are necessary at this particular phase of developments.

Furthermore, we shall require that any business or equivalent entity whose employee or other active associate circulates such lying representations on those premises or in any other manner which might be reasonably construed as the activities of that entity shall be summarily disciplined by the management of that entity, or otherwise shall risk immediate appropriate action by the ICLC according to the cause for offense given.

This "nagging" disease of putative "sympathizers" of Kostas K. will be stamped out as of this date. True, persons have a right to honest differences of opinion; they do not have the right to knowingly spread malicious and damaging falsehoods. Since the conditions have been more than fully established that any person of the indicated categories repeating the indicated falsehoods is knowingly lying maliciously, there is not the slightest color of injustice in the simple, clean source of hygienic action prescribed.

Additional Facts To Be Made Known

As Uwe H. restated his own information on this matter during a recent NEC meeting, Kostas K. had been engaged in constructing a network within the organization, as an integral part of his wrecking-operation.

There are two general phases to this problem. One phase covers the period from Kostas' return from Germany, up to the beginning of his overt treachery. The second phase, of more immediate practical concern, dates from no longer than the summer of 1978, and it is strongly indicated that it dates from as early as October or November 1977.

Throughout the earlier period, Kostas had to be caught up short for his lapse into the KGB organizational methods (in which he had been trained earlier). The hideous ego-stripping orgy conducted at the 1973 local meeting at New York University was only the discovered expression of the evil practices of "psychological conditioning" in which Kostas and others had been engaged during the "Mop Up" security period. The OTS school was another case of Kostas' resort to KGB methods of attempted "Korean brainwashing." The Chairman and NEC on these and other occasions sharply corrected such abuses and Kostas whenever this sort of evil practice was discovered.

Admittedly, serious injury was done to the organization by Kostas's use of such methods, and his efforts to induce similar practices by others. This is one of the reasons the EEC has always tended to function better as a deliberative body than the NEC. The poisonous effects of Kostas' KGB organizational methods, too often echoed by others, promoted precisely the sort of heteronomic ferment *such methods are designed to effect* when used by the KGB proper.

It well known that for reasons not yet precisely determined, but probably bearing on the early 1974 Lower Saxony campaign and the confrontation with the Club of Rome at Bucharest later that year, that the Venetians and their underlings have a special hatred against Helga. The case of Venetian terrorist-linked Tony Rissotti is an early example of this. It usually makes no sense in the immediate cases this is encountered, except from the standpoint of *the barking of the master's dog*.

It is consistent with that that every phase of Kostas' known willful efforts to wreck the organization since the summer of 1978 coincided and often even pivoted upon a campaign of filthy rumors, and otherwise immoral degenerate's attacks against Helga. For example, those persons deemed insufficiently "cold" to Helga on the security staff were systematically victimized on orders from Kostas. This degenerate wretch's venom against Helga was merely the leading-edge of a corresponding malicious falsehood-spreading against the European organization generally.

What came out into the open when Kostas was confronted by the Chairman in the midst of Kostas' efforts to wreck the European organization completely, early last October, had been conducted through duplicity over a period of more than a year preceding. This has now come out into the open through a

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security meeting at which members of the staff compared experiences face to face. Kostas had given cause for summary expulsion by the time the 1980 election-campaign began. His removal from the NEC would have been moved immediately by the Chairman back during the Spring of 1974 if the whole truth about the OTS operations had been fully disclosed by members of the security staff ordered to conduct a KGB-style brainwashing operation against the NEC and others at OTS.

Over the course of the period of his conscious treachery, Kostas concentrated on attempting to destroy certain persons, or at least to isolate and discredit them with aid of lies, while at the same time constructing a network, *predominantly of women*, in the legal, financial, and entities' staffs in New York City. This was supplemented by a special operation of manipulative lying and related measures against the Detroit region.

This attempt to build a "KGB-network apparatus" of women is an aspect of the process reflecting an infantile-oedipal side of this personality, the same flaw which triggered paranoid-schizophrenic mental degeneration under the increasing stress which Kostas' treachery inflicted upon him. It has been subsequently determined that Kostas' degree of apparent illness last early summer was highly exaggerated. The most alarming symptom was not found to have any supporting basis in illness, and was reported to have been voluntary—e.g., psycho-somatic. Moreover, his degree of activity from his convalescence, including rage-filled orders to endanger the Chairman's life and his currying the newspaper mailings (and then blaming this on Uwe H. afterwards), typify the evil scheming with which he was actually occupied, and at a considerable level of activity considering the reports put out concerning his reduced condition.

Some persons in the networks Kostas was building in legal, security, finance, entities' management, and in a scattered way around the field, became witting "moles" in more or less witting service of the same agencies controlling the NAG group around Eric Lerner controlled by the D.K. Ludwig interests, the *New York Times*, and Roy Cohen's clients. Others, unable to face the wall of psychological pain separating them from recognizing the form of "Korean-style" brainwashing to which they had been subjected, became foolish accomplices of the NAG operation, chiefly because they could not muster the moral strength to face the simple truth which confronted them.

Although the foregoing is merely a small fraction of the whole picture, it should prove helpful to members—especially those manipulated by Kostas' lies and related KGB organizational methods—in becoming self-conscious of the evil experience through which we have recently lived, and becoming self-conscious, getting on top of the problem, they will more readily free themselves from the psychological wounds inflicted by this evil combination of wrecking and KGB-network building.

The ultimate points of control of this problem the members already know. It is Tavistock, et al., including the circles of Noam Chomsky and Major Louis M. Bloomfield, who happen to be interlocked in this and other matters. It is the same crowd which ran the "Bavarian" operation during 1969-1970. It is the same crowd which deployed Michael Vale and which created the NAG group around Robert Dillon, Arthur Castle, Alice Weitzman, Lauren Goldner, and the operations involving the famous rental informer, Jose Torres of the well-known Puerto Rican terrorist Torreses. It is the nest of Fabian horrors based in the University of Chicago.

Paul Teitelbaum
February 1, 1981

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Throughout the recent "discussion," making reference to those few courageous and dignified statements made by individuals unable to swallow the excrement dished out for them and greedily devoured by the overwhelming majority of the rest of the organization, the letter of resignation submitted by Eric Nelson deserves particular attention. The reason for this is that Eric correctly locates the most significant problem in a way which has not otherwise been explicitly stated.

Specifically, Eric does *not* address himself to LaRouche. The question he asks is whether the NEC, and, by extension, the membership at large, you, would "find the courage to deal with the LaRouche problem." That's the right question.

Let's state some facts. Most of us joined the organization for good reasons. Long before we enshrined the word "reason" as a jargon term with a capital "R", we understood the purpose of the organization as being the means to allow for the existence of a human race which would deliberately and deliberately determine its own destiny based on the scientific understanding of its own self interest. And that this conception included the highest notions of art, integrity, and intellectual achievement of which men and women are capable. And most of us put our money where our mouth is. For the last six years, eight years, ten years, and so on.

During the course of putting our money where our mouth is, some of us learned that the test of adulthood, the test of personal strength, is the ability to deal with the painful truth, the ability to find that part of you which forces you to do what you should do, as opposed to what you want to do. We've frequently heard, and spoken, the word "ruthlessness." Right now, Lyn is not playing with a full deck. It's really very obvious. Can you face it?

Back when this thing started, how many of you heard David Goldman accuse Gus of being an embezzler during a National Office briefing? Two weeks or so later, how many of you heard Lyn say that, not only was it untrue that Gus was an embezzler, but furthermore, Goldman *could not have said it*, and anyone who claimed that the statement had been made was a liar! When Mary said that she was there when Goldman made that particular statement and had confidence in the ability of her ears to hear and her mind to remember, Lyn switched gears, changed the subject, and told us that money diverted into Computron was not really the issue, that Gus had single-handedly destroyed the entire national organization, that Andy could own five percent of a computer selling for \$14,000 and make \$7,000 per unit, that Lyn invented the software business in general and on-line validation in particular, and much more. How many times did the same thing happen during the course of this one meeting? Do you think that Goldman developed the "embezzler" formulation himself? Where the hell do you think he got it?

Then there's the famous one and one half million Jews. Read the goddamned article. New Solidarity, August 22, 1978; I'll be glad to furnish copies. There's nothing in there about Schacht or Speer or the useless eaters policy versus another policy. It simply, baldly, states that the Nazis only killed one and a half million Jews. Furthermore, you, as a loyal member, are *ordered* to consider me, and treat me, as a conscious agent of Roy Cohn merely for pointing this out. Doesn't that bother you? It's not such a big deal for a person to retract an irresponsible statement. Consider the enormity of Lyn being unable to do even to do even this.

This past week saw the issuance of Andy's and Lyn's joint statement. Lyn tells us that we are not to apply any type of perjorative interpretation into his statements. Isn't that a little too much? But I've actually seen people say to my face that "thief doesn't really mean thief, liar really doesn't mean liar." Nor are the phrases "immoral chiseller" and "fast talking two-bit salesman" perjorative. How can any of you repeat this sort of double talk without feeling very sick?

And there's so much more. As you well know. When has the enemy ever been handed so many weapons to use against us as he has through Lyn's memos over the last two months? Massive divergence of funds from the campaign into a private business? Among other things. Isn't that just a little more illegal than any number of scandals that have destroyed political careers and movements in recent memory? If it were true, and it's not, how much would the enemy pay to be able to prove it? Lyn has been telling us for years about how much money the enemy has invested to that end. Now he seems to be determined to provide them with a return on their investment. This is sheer insanity.

I've talked to several people who've said that the question of particular facts and so on and so forth is not the question. The question, they say, must be posed politically. If there was a consistent pattern of mismanagement and bad decisions which reflected a systematic flaw in the thinking of the decision makers, then this must be rooted out.

Well, that's fine. I believe that serious mistakes have been made and that mismanagement has occurred. But the above cited people are wrong. The lies *are* the point. The character assassinations *are* the point. And most importantly, your hysterical refusal to see what the evidence adds up to is the point. How will you act if someone puts a gun to your head and demands that you join the pogrom? Do you think that you will have integrity when you can't find your courage now? You laugh at Nick's description of the Greek peasant with the high IQ. Will *you* behave like the peasant's peasant father who was not a member of any humanist organization but took a gun and fled to the mountains? Will *you* act like the woman who ran dynamite to the resistance, or will *you* act like the man who accuses that same woman of being an agent of the KGB while he rewrites his autobiography to hide the fact that he was in a Conscientious Objector Camp while she was fighting the Nazis?

Look at your leaders. What a disgusting spectacle. Nick. Disgusting. Nancy, not surprising to me, but still disgusting. Uwe, watching Bruno burn while he kisses the pope's ring - if we compare Gus' mother with Galileo on a moral scale, where do we put Uwe? One must point out that Galileo, at least, was in peril of his life. Paul Goldstein, Jeff and Michele Steinberg, people who maintain their silence while Gus is accused of stripping Lyn's security and failing to counterpunch against Roy Cohn, what a bunch of swine. And the rest. At the same time, since we are all entitled to play by the same rules, let me take the opportunity to assure you that the above statements are for informational purposes only and are not to be misinterpreted as being perjorative against individuals.

Last Saturday, someone who should know better told me that he knew Gus was insane because Gus made a statement to the effect that the organization was, at this moment, fascist. He went on to say that Gus was not, in fact, insane at the point that Lyn insistently and repeatedly denounced Gus as such to the membership, and that it was Lyn's very activity which drove Gus insane! The astonishing conclusion which he reached from this is that, when considering Gus, a particular statement reported to him by a third party was sufficient for him to conclude that Gus had gone over the deep end. When considering

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Lyn, who has just been charged with falsely accusing his closest collaborator of ten years of insanity and thereby causing this to occur, one discards all such vulgar predicates. One defends Lyn's most recent statements with no reference to the way in which these statements contradict Lyn's previous statements. One's duty is to ignore all of the evidence which points to Lyn's unbalanced state of mind, despite the fact that many, many people know that the evidence I've alluded to is merely the tip of the iceberg.

One last comment. Some time ago, Lyn returned from an extended stay in Europe and gave a public presentation in New York. Some of our German members were present. At the end of the speech, the clique initiated the chant of "Lah' Rouche, Lah' Rouche, Lah' Rouche, Lah' Rouche..." My reaction at this and all subsequent occasions is difficult to describe. Suffice it to say that one's hair really does stand up on one's neck. We're all guilty of a disservice to the human race, and to Lyn in particular, for playing "hear no evil, see no evil, speak no evil" with this. We all bear responsibility for Lyn's slide into megalomania.

In summation: I demand that Lyndon LaRouche be suspended from all policy and decision making functions in the organization, for his own good and for the good of the human race. I demand that our otherwise gifted people find the vertebrae that they have misplaced. I realize too well that the likely fate of this document is to be confiscated by our zealous Security officers while the few copies that slip through provoke some contemptuous giggling in the National Office, as was the fate of the eloquent statement written by Gus. If you act in this fashion, if you betray this trust, then the characterization of the organization as fascist will become irrevocable, with all that you know that this implies.

Postscript - February 11, 1981

After having decided to postpone publication of this document, today's Internal Memo calling for the institution of the New Inquisition has made the question of whether or not I choose to resign a moot point. It should be obvious that this hysterical piece, which follows logically from the earlier pieces

which variously insult and threaten the field organization, reflects Lyn's realization that many members are not swallowing these enormities but are instead silently and sullenly going through their day to day motions.

Three evenings ago I had a discussion with a long-time friend and colleague of mine who, like many of you, has kept his mouth shut during the current period. This person told me, as I had so often in the past told myself, that the briefing and Lyn's contributions in particular are often looney, and that it is necessary to tune out the discordant notes in order to appreciate the harmony of the music. This same person had attended a public briefing given by the NEC the night before during which Uwe Friesecke had told us the one about "What's the difference between Kostas and Judas? - Judas didn't spend the money." When asked how he felt about this the fellow admitted that "it turned my stomach." So why didn't he say anything? Why didn't he protest? Well, "the aversive climate in the organization makes it impossible for me to speak up." Untrue, of course. I and others have not found it "impossible" to repeatedly publicly and privately confront Lyn on his lies. What this person really meant to say is, "the aversive climate in the organization makes it impossible for me to speak up without sacrificing the warm feelings and sentimental regards of the frothing dogs and cringing jackals who presently comprise the leadership of the ICLC." When asked what he thought might happen if a hundred people like him suddenly found the courage to speak up, he replied that this would destroy the organization! Isn't that unbelievable? The organization can only survive based on a conspiracy to maintain immoral silence by all members who have even a moderate sense of decency? And by default, to leave everything we have fought for in the hands of the variously wild-eyed, wide-eyed, and shifty-eyed people who have committed themselves to the cult of LaRouche's infallibility? For those of you whose "stomachs turn," you'd better realize that a massive public outpouring of protests and/or resignations is the last chance that you'll have to even try to deliver a shock to bring the organization to its senses.

I hereby formally resign my membership in the National Caucus of Labor Committees and disassociate myself from all organizations under the control or influence of Lyndon LaRouche.

Open Letter to the NCLC Membership

February 14, 1981

I am writing this letter to the NCLC membership in response to the actions of my friends, some of whom have resigned, some who have resolved to go through fire and water with LaRouche, and some who have resigned themselves to remain with the LC, at least until the next affront to their consciences.

The flurry of memos from LaRouche since mid-December, the subsequent letters of resignation and the consequent "security" memoranda issued in reply to the resignations, have raised questions somewhat larger than the specific charges and slanders raised at various members.

Theoretically, the cadre participates in the selection of the organization's leadership - i.e., those political and administrative executives who are, hopefully, most qualified to initiate and develop the new strategies required as the organization achieves - or fails to achieve - its goals. In practical terms, the selection of leadership necessarily involves trust. It is not *faith* (the belief in someone or something irrespective of or despite knowledge) but *trust* - rational belief based *in* knowledge - which is the basis of the cadre's implicit or explicit mandate to political and intellectual leadership.

Developments following the elaboration of the "elites" organizing perspective have placed a heavy burden on the membership's trust in its leadership, and necessarily so: the membership is often necessarily distanced from certain negotiations and decisions made on its behalf.

It is in this context that the membership should review the present situation. Whether or not initiated by LaRouche, and whether or not known to LaRouche, primitive accumulation against the membership and infrastructure was carried out over a protracted period. Members most directly affected worked in intolerable conditions, and continued to do so because of the political and "objective" portrayal of the situation.

One would expect of a responsible leader a careful evaluation of the scope and details of the situation once learned of, and the written dissemination of only that information sufficient to "get back on the track." Instead, LaRouche, upon learning of the economic holocaust ostensibly for the first time, launched a cynical campaign to "blow the scandal," placing the organization and a significant number of members in political and legal jeopardy. The sheer amount of crap placed in writing - including the "moral opinion of the majority" posturing - reflects a complete abandonment of prudence, and a de facto breach of trust as Chairman.

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Further, LaRouche pursued a policy of capricious brinksmanship against certain leaders in the entities, further lowering productivity and making even more precarious the survival of the entire collection of entities. (Has the membership considered the practical repercussions of a failure of one of these entities? We can only assume that Mr. LaRouche knew of these practical considerations, which makes the "politics" of his tactics untenable).

To what end was all this grandstanding aimed? First, LaRouche had to force Andy and Gus to *reply* to his charges, since the membership would - on the whole - agree with LaRouche's charges with few reservations once either or both rose to "defend themselves against Lyn." LaRouche may also have been counting on their reluctance to defend themselves with facts which would damage both the Chairman and the entire organization: this would be the mark of someone who has placed himself "beyond." The fact that hysteria-induced attacks on Gus escalated to the point of practically threatening his life, and that then and only then did Gus say anything publicly, should give the membership some food for thought in an otherwise-starved period.

The second, and ultimate aim of the campaign involved playing down the NEC as helpless - given Gus and the circumstances - and thus to remind us all that, lest we forget, there is not only one Lyn, but only one truly competent leader—period. By giving the NEC an 'out' for the recent past, and by announcing "trials and purges" of anyone who doubts that Gus poisoned Alexander the Great, LaRouche has one-upped George Orwell in showing how to close ranks at the top to carry on as usual.

Each member must examine the current political situation, the present political direction of the organization, the "ecumenical" nature of certain Sunbelt ventures formed recently, and the psychological climate emerging in the organization.

The handling of "security" is an efficient "crucial experiment" in assessing LaRouche's motives. If the current "scandal"-based hysteria is later used to discourage political and strategic discussion within the membership, how will proper intelligence (for example) ever be gathered, let alone acted on?

If the membership has lost the right to question or recall an executive, on what *basis* does the organization operate? What kind of humanism can be cited to support the present situation (no Borgias need apply)?

If the criteria for continued membership ceases to be trust (and how can the knowledge required for trust be obtained without free discussion?) and becomes *fealty*, what will emerge that is distinguishable from Scientology or the Sicilian family business?

D. Phillips
(signed)