

toli Dobrynin, where LaRouche is identified as a threat to the U.S.S.R., in a coded reference to “neo-conservatives.”

Oct. 10, 1986—Hammer announces a rock tour of John Denver to Moscow, as part of U.S.-Soviet “cultural” exchange.

Oct. 11, 1986—Wick meets privately with A. Yakovlev, Central Committee propaganda chief, and A. Belyayev, editor of *Sovetskaya Kultura*, for two hours, at the Reykjavik summit. Nikolai Vukolov, one of the authors of the *New Times* article “Nazis Without the Swastika,” is also at the summit.

Oct. 11-20, 1986—A second meeting of Norman Cousins’s U.S.-Soviet Writers’ Conference takes place in the Central Asian Soviet Socialist Republic of Kirgizia, timed with the Reykjavik summit. The semi-secret event is sponsored by Chingiz Aitmatov, who had attended the earlier Soviet Writers’ Union-PEN meeting in Lithuania in November 1985. Participants include futurologist and LaRouche-watcher Alvin Toffler; his associate Alexander King; Arthur Miller, who attended the November gathering; and British film producer Peter Ustinov, who was present on the scene during the 1984 assassination of Indian Prime Minister Indira Gandhi. The meeting concluded with a meeting at the Kremlin with Gorbachov on Oct. 20.

Oct. 13, 1986—*Pravda* article, “Unhealed Wound: Nuremberg, Lessons of History,” praises KGB-linked former Congresswomen Elizabeth Holtzman, and the U.S. Justice Department’s Office of Special Investigation.

Oct. 16, 1986—Hammer is in Moscow, where he makes the surprise announcement that he is flying out of the city with dissident biologist David Goldfarb, who has been released by the Soviets in a “good-will” gesture. There are reports that Goldfarb’s father-in-law, Grigori Haifetz, had been Hammer’s Soviet intelligence controller in the 1930s.

Oct. 16, 1986—Radio Moscow reports that Hammer is the first Westerner to have contributed to the Soviet Culture Foundation.

Oct. 18-21, 1986—First Deputy Foreign Minister Yevgeni Zaitsev is in Washington with a delegation, officially for the opening of an exhibition on Soviet culture at the Smithsonian’s Renwick Gallery, which had been agreed to at the August Kashlev-Rhinesmith meetings. Zaitsev meets with USIA Director Wick, officials of the American Enterprise Institute, and Pepsico chairman Donald Kendall, who had spearheaded Soviet-U.S. trade operations during the Nixon administration, and who helped sponsor the museum event.

Armand Hammer: Trust or ‘Comsymp’?

by Scott Thompson

One of the two individuals at Charles Wick’s U.S. Information Agency charged with countering Soviet *dezinformatsia* recently defended Wick’s intimate ties with Armand Hammer as follows: “You people at *EIR* are the only ones who think Hammer is some kind of Soviet operative; everybody knows he’s just a Comsymp.” This is a dramatic shift in the Reagan administration. When President Reagan first took office in 1981, informed sources say that a detailed report circulated through the National Security Council, warning precisely that Hammer was a Soviet operative.

This was with good reason. During the 1980 Presidential election campaign, U.S. intelligence sources warned *EIR* that Hammer had been charged by then Soviet General Secretary Leonid Brezhnev to pull every conceivable string to defeat Reagan. *EIR*’s own investigators found Hammer in negotiations with the Charter Oil Company for processing Libyan oil, the nexus for a \$20 million offshore slush fund from Muammar Qaddafi to the Carter family. These funds were not only to buy the support of President Carter, whose brother Billy said of Qaddafi, “At least he is honest about supporting terrorism,” but also as an electioneering fund to “turn out the vote.”

A high source within the Reagan National Security Council confirmed that these warnings against Hammer did not last long. Pressure was brought to bear to override NSC officials’ objections to contact with Hammer. One factor in this was that members of the California “Kitchen Cabinet,” such as Charles Wick, got Hammer’s foot-in-the-door with President Reagan by having him named head of the President’s initiative against cancer. More important was a Soviet effort, by four consecutive general secretaries, to build up Hammer as an apparently indispensable back channel. “When Hammer calls saying he has a message from Yuri Andropov, you listen to him,” one top NSC official said.

Compared to the NSC, the State Department was a “piece of cake” for an old operative like Hammer. A spokesman for then Assistant Secretary of State for European Affairs Richard Burt, now U.S. ambassador to West Germany, acknowledged Burt’s use of Hammer as a “back channel” for pre-summit negotiations, stating: “We’re very impressed with Dr. Armand Hammer and all of his various contacts with the Soviets. . . . Of course, any friend of Father Lenin is a friend

of Mikhail Gorbachov.”

Not accidentally, this public use of Armand Hammer followed a 1982 interview by Tad Szulc in *Parade* magazine with Secretary of State George Shultz’s “good friend and adviser” Henry Kissinger, who said that George must undertake the same “back-channel” diplomacy (kept secret from the American public) that led to Kissinger’s conclusion of the treasonous 1972 SALT-ABM Treaty.

Shultz and ‘The Trust’

Shultz needed no urging. His family has been associated with Armand Hammer’s business operations with the Soviet Union for two generations. Shultz’s father, Dr. Birl Earl Shultz, had been personnel director at the American International Corporation of 120 Broadway, created by Frank A. Vanderlip of the Rockefeller-Stillman National City Bank (Citicorp today), together with Morgan, Schiff, Winthrop, Grace, and other Wall Street interests. CIA counterintelligence sources call this 120 Broadway operation a cornerstone of the Soviet deception operation known as “The Trust.”

Declassified documents from the State Department show that the 120 Broadway group worked with Armand Hammer and his Soviet business partners to: 1) do all the engineering studies for the First Soviet Five Year Plan in 1917, when the Bolsheviks only held Moscow and Petrograd; 2) break the State Department ban upon trade and credits; 3) sign secret treaties on behalf of Secretary of State Robert Lansing with the Bolsheviks; and, 4) create the original “back channel,” through American Communist John Reed and others (possibly including AIC partner Armand Hammer).

Shultz’s involvement with Hammer went even further. According to Harvard’s Joseph Finder writing in *Red Carpet*, George Shultz got his job as president of the Bechtel Corporation in 1975 when, as Nixon’s treasury secretary (1972-74), he worked to obtain U.S. government credits for a \$4 billion Soviet natural gas project that Hammer sought to carry out with Bechtel. It is also through this Hammer-Bechtel connection that the fraud of Shultz’s “anti-terrorism” rhetoric is exposed.

When Bechtel undertook to build a pipeline for Hammer’s Occidental Petroleum in Colombia, Hammer told the *Wall Street Journal*, he had set up a “catering service” with the narco-terrorist Ejército Liberación Nacional (ELN), which promptly kidnapped President Belisario Betancur’s brother. Through taxes paid to Libya, where Oxy remained until the final boom came down from the U.S. government, Hammer also underwrote Qaddafi’s terrorism.

A friend of Felix Dzerzhinsky

Armand Hammer participated in founding the Trust operation of Soviet Cheka boss Felix Dzerzhinsky. Soon after the October Revolution, the Odessa-born Hammer traveled to Russia and met with Vladimir Lenin. Not only did Lenin grant Hammer the first “concession” under his New Econom-

ic Policy, but he ordered Dzerzhinsky, then also president of the Supreme Economic Council, to “liquidate” any “red tape.” At least one person was shot by the Cheka on Hammer’s behalf.

Hammer’s father, Julius, a co-founder of the Communist Party U.S.A. (released from prison by intervention of the same Schiff interests that were behind the AIC), soon joined his son in Russia, where reliable sources report he worked with Dzerzhinsky’s GPU. State Department records also show Hammer married a suspected GPU agent, the Baroness Olga von Root, whom he divorced once she entered the United States. Hammer himself worked directly with Dzerzhinsky to lure 50-odd major U.S. corporations into the Soviet trade, as well as to break the State Department ban upon such dealings. When Stalin gradually collapsed the NEP in the late 1920s to early 1930s, liquidating several Bolshevik supporters of Western Trust arrangements, Hammer was given looted treasures of the Romanoffs to carry his riches out of Russia.

Hammer promptly got involved in the whiskey business, building United Distillers, Ltd., on the model of his earlier “tincture-of-ginger” and “exotic drug” business during Prohibition. Hammer was soon in contact with the top members of the “Syndicate,” eventually selling out his company in 1943 for \$10 million to Louis Rosenstiel, a former “bootleg” supplier to the Detroit-Cleveland “Purple Gang” and Chicago “Capone mob.” Today Hammer is connected with other members of the “Hollywood mafia,” who, like Rosenstiel, “went legit,” including: Arthur B. Krim of Orion Pictures; Krim’s senior law partner Louis B. Nizer; former Capone mob attorney Sidney Korshak and Paul Zifren; and MGM chairman Kirk Kirkorian. Arthur Krim is now deeply involved in California, in Hammer’s work to defeat Proposition 64, the LaRouche-endorsed plan for emergency public-health measures to stop the spread of AIDS.

Hammer did not amass his real fortune until he entered Libyan oil in 1966, through alleged bribes to “Nazi collaborators” and help from British lords. It was with the September 1969 coup of Muammar Qaddafi that Hammer’s Libyan holdings became “black gold.” *Forbes* magazine wrote of Hammer’s dealings with Qaddafi to raise worldwide oil prices: “Hammer had saved his Libyan concession at a terrible price to the industrial world. But he did so at remarkably little cost to himself.” The CIA counterintelligence staff monitored communications that allegedly showed Hammer conniving with Qaddafi to jack up oil prices and undercut Western industry, using the Russian embassy in Libya and Moscow officials.

Records from the U.S. State Department, supplemented by U.S. intelligence leads, unquestionably show that George Shultz’s and Charles Wick’s friend Armand Hammer is not simply a “Comsymp,” but a leading agent of Soviet Trust operations begun by Felix Dzerzhinsky, founder of today’s KGB.