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## Part II of a Series

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# The 'bankers' CIA' and the Russian lobby after the Leesburg raid

by Criton Zoakos

During the first week of November, Soviet KGB agent Dr. Armand Hammer ran a "gray propaganda" disinformation operation through the U.S. Information Agency (USIA) chaired by his agent, Charles Z. Wick. The operation was in relation to high-level diplomatic maneuvers now in progress between the United States and the Soviet Union, involving probes to ascertain the possibility of superpower cooperation against the species-threatening AIDS epidemic.

The first person to broach the issue of superpower cooperation against AIDS was Lyndon LaRouche, first prior to the Reykjavik summit, and later, in a memorandum published in *EIR* on Oct. 24, 1986, under the title "Parameters for U.S.-Soviet talks on AIDS pandemic." Hammer and LaRouche had already, prior to the Hammer-Wick "gray propaganda" operation, been bitter adversaries on the subject of AIDS. LaRouche, of course, was the most prominent supporter of California's Proposition 64, which was calling for universal screening and other urgent public health measures. Hammer, was the chief funder of the opposition to Prop 64. Hammer is the funder of the American Foundation for AIDS Research, directed by the wife of Hammer's partner, Dr. Mathilde Krim. Krim and the foundation have led the opposition to Prop 64 as "dictatorial."

Hammer, friend and funder of USIA Director Charles Z. Wick, had, earlier in the year, introduced Wick to a KGB colonel named Yuri Koshlov and the three, Wick, Hammer, and Koshlov, in the context of a variety of "cultural" and "humanitarian" agreements, arranged for Surgeon-General C. Everett Koop, Dr. James Mason of the Centers for Disease Control, and Dr. James Wyngaarden of the National Institutes of Health to visit the Soviet Union, before the elections, and hold discussions on the subject of AIDS cooperation. That visit, from Oct. 3 to 13, took place after LaRouche had strongly recommended that President Reagan, at the then-upcoming Reykjavik summit, make certain proposals to General Secretary Gorbachov on cooperation against AIDS. Koop and the rest returned from Moscow with strong messages of

condemnation of Prop 64, which he circulated in California just prior to the election, on behalf of Dr. Hammer and Dr. Mathilde Krim.

### **KGB anti-dezinformatsia lobby in Washington**

Charles Z. Wick employs in the USIA one Herbert Romerstein, a former Communist Party youth leader, as an expert for combatting KGB *dezinformatsia* projects. His credentials for the job were supplied by Roy Godson, formerly of the National Strategy Information Center, and more recently, head of a project to study Soviet disinformation techniques at Georgetown University's Center for Strategic and disinformation techniques at Georgetown University's Center for Strategic and International Studies, the current home of ex-National Security Advisers Robert McFarlane, Zbigniew Brzezinski, and Henry Kissinger. Roy Godson, Romerstein's patron, is also a "former communist," strongly influenced, throughout his life, by Jay Lovestone, one of the founders of the Communist Party-U.S.A., together with Dr. Armand Hammer's father Julius Hammer.

Herbert Romerstein, as member of a State Department-USIA Interagency Working Group on Soviet Disinformation, traveled to London some time after Surgeon-General Koop's return from Moscow, and discussed with an associate of his, Ian Elliott, editor of *Soviet Analyst* magazine, a project to discredit Dr. John Seale, a member of the Royal College of Physicians and outspoken backer of Proposition 64, as a "Soviet disinformation channel." On Oct. 31, Ian Elliott, citing "ex-communist" Herbert Romerstein as his authority, alleged that Dr. Seale had charged that "U.S. intelligence" had artificially manufactured the AIDS virus and that that allegation had been picked up by Soviet publications which, supposedly, were about to have a propagandistic field day.

Though Dr. Seale protested the absurdities of the Ian Elliott piece, three days later, at a State Department briefing, Herbert Romerstein's slander reappeared under new wrapping. Department spokesman Charles Redman presented a

document, produced by the Interagency Working Group on Soviet disinformation, denouncing the Soviets for alleging that the U.S.A. artificially produced the AIDS virus for bio-warfare purposes. So far, so good. But, inside the otherwise very true charges against the Soviet disinformation practices, was embedded the lie that Dr. Seale was part of the Soviet disinformation campaign.

### **What are all these 'ex-communists?'**

"Ex-communist" Herbert Romerstein, a protégé of "ex-communist" Roy Godson, himself a man trained in intelligence by "ex-Communist Party founder" Jay Lovestone, is employed by Charles Z. Wick, the friend of "ex-Communist" Armand Hammer. USIA chief Wick is the offspring of a Central European "ex-communist" family originally named Zwick. This is one hell of a patriotic group to pronounce expertise on the subject of Soviet "disinformation" techniques.

This little Romerstein caper would have been an amusing prank, had it not involved two serious matters, namely: first, the fact that the USIA, traditionally a branch of CIA operations abroad has been, under the joint Wick-Hammer management, been functioning as the conduit of exactly the kind of propaganda that the Kremlin leadership finds suitable in its current drive to whip up Great Russian chauvinism in its population; and, second, it touches on the critical strategic issue of the species-threatening menace of AIDS.

Both of these matters of paramount national security importance, AIDS, and the Great Russian chauvinist cultural offensive, are closely linked with White House Chief of Staff Donald T. Regan—Wall Street's man in the White House. No one is about to accuse this former marine of having any medical expertise or any cultural interest in, say, Rimsky-Korsakov. However, to understand why so many "ex-communists" are in and about the Reagan administration, one must give some thought to the circumstances under which Donald Regan, "ex-Democrat" chairman of Merrill Lynch, was parachuted into the Reagan camp.

During the 1979-80 "transition period," the senior New York bankers made a major effort to force Regan to name Walter Wriston of Citibank either secretary of state, or director of the CIA. Failing in this, the bankers succeeded in imposing Regan first as treasury secretary and later as White House chief of staff. They also extracted a promise from the President-elect that he would keep Volcker at the Federal Reserve and that he would not interfere in certain banking policies, which were to be safeguarded by Donald Regan. Regan, from the beginning, has been the banking community's overseer of the Reagan administration.

In this capacity, he has some definite views on AIDS and on Russian nationalist culture. On the subject of AIDS, Regan intervened to suppress both research into the causes of the spread of the virus as well as research that would lead to development of a cure. His reason for this is: "Cost Prohibi-

tive." Don Regan's principals, just as we at *EIR*, fully well recognize that a serious, effective assault against the AIDS epidemic, will require the mobilization of economic resources on a scale beyond that permitted by the interests of the banks.

Similarly, on the subject of Great Russian chauvinist cultural promotion: There is a deal between the Eastern Establishment banking leadership and the Gorbachov-Ogarkov leadership in the Kremlin, which could best be labeled "The Trust," after the 1920s deal between New York and Boston bankers and Lenin's Bolshevik government, which had the blessings of Robert Lansing, Woodrow Wilson's secretary of state—an uncle of John Foster Dulles. The "Trust" of the 1920s was a scheme of joint-stock companies which laid the foundation for the subsequent growth of Russia's war industries. The "Trust" we see evolving today aims for the establishment of a nominally Moscow-centered imperial arrangement, in which the combined forces of international bankers and Moscow will eradicate the legal forms of nation-states.

### **Don Regan and McFarlane in Iran**

Armand Hammer's Occidental Petroleum's investment banker is First Boston Corp. of New York, a company with very good relations with Regan's Merrill Lynch, and one which shared with Mr. Regan the absorption of White, Weld some years back. It should be recalled that both Armand Hammer and the New York banks, especially Citibank, played a unique role, during the Carter period, in bringing about both the Khomeini Revolution and the mysterious U.S. arms shipments to Iran, which, with the recent involvement of ex-national security chief Robert McFarlane, are now occupying newspaper headlines.

The role of the Establishment banking community in the emergence of Khomeini's Iran, when fully revealed, will, one day, prove to have been identical with the same banking community's role in financing and promoting the Bolshevik Revolution of 1917. For the time being, certain salient elements have been established which prove conclusively that Khomeini was put in power by the Trilateral Commission behind the Carter administration.

The relevant point for the case of Don Regan: We are reliably informed that Don Regan is the White House official who personally promoted the White House/NSC project of shipping weapons to Iran. Contrary to current newspaper stories, these shipments were much larger than indicated by the transactions involving the freeing of hostages Weir, Jenko, and Jacobsen. Also contrary to current stories, these weapons shipments from the U.S.A. did not begin in July 1985—they had begun immediately after the Khomeini revolution in 1979 and continued uninterrupted throughout the Carter and Reagan presidencies.

*EIR* has been involved in extensive litigation for a number of years against one Cyrus Hashemi, a cousin of Ayatollah Ali Akhbar Hashemi Rafsanjani, because we had accused

Hashemi of shipping weapons to Iran both during and after the Carter administration, from 1979 through to 1986, the year of his mysterious and unexplained death in London. In his litigation against *EIR*, Hashemi enjoyed the good legal services of persons associated with both the FBI and the CIA who were providing cover for his operations.

How could the U.S.A. have been shipping weapons to Iran, stated U.S.A. policy to the contrary? And did President Reagan know about it? Our educated guess is that President Reagan did not know. In all probability, he had been told of only some very limited shipments of "spare parts" for the purpose of one-to-one exchanges of the three above-named hostages. In all probability, Don Regan knew and sanctioned the much larger shipments of weapons to Iran and, having obtained the President's approval for the more limited hostage-exchange-related shipments, helped create the deceptive coloration of presidential approval for the larger deals.

Don Regan, during the 1979-80 transition period, knew the following matter that President Reagan did not know: A few hours before leaving office forever on Jan. 20, 1981, Jimmy Carter signed a major agreement of financial claims settlement between the U.S.A. and the Islamic Republic of Iran which led to the release of the U.S. Teheran Embassy hostages after 444 days of captivity. That major agreement was binding the United States to certain obligations, some of which were to be specified later, and others which were to be kept secret. Essentially, it was an agreement binding the U.S.A. to certain secret protocols which were to be spelled out "at a later time."

*EIR* has reason to believe that some of these secret agreements bound the U.S.A. to obligations to supply Khomeini's Iran with various types of weapons and spare parts. At any rate, it has been ascertained that, since the signing of the Jan. 20, 1981 agreement, numerous U.S. Port Authorities have set aside certain "free zones" which the U.S. Customs Service is not permitted to inspect, through which illegal weapons shipments to Iran are assembled.

At any rate, what is publicly known about the U.S.A.-Iran agreement signed by Carter on Jan. 20, 1981 is this: The agreement was not negotiated by the U.S. government, but by a committee of Establishment banks and their law firms. The major players were Citibank, Morgan Guaranty, Manufacturers Hanover, Bank of America, Chase Manhattan, etc., 12 in all. These banks, led by Citibank, Chase, and Morgan, began secret negotiations with the Iranians almost exactly one week after the takeover of the U.S. embassy in Teheran—unbeknownst to either the U.S. government or the public. Only after Reagan won the 1980 election, did Khomeini announce that the hostages would be freed if the U.S.A. handed over to Iran \$24 billion of assets belonging either to the Iranian government or to the Shah's family.

By January of next year, of the \$24 billion demanded, Khomeini got only \$3 billion net—the balance of \$21 billion disappearing mysteriously into the bowels of the Establish-

ment's banking system.

Nobody to this day, certainly not President Reagan, knows what the U.S.A. had to sign away in order to permit the bankers and Khomeini to secretly loot the unaccounted for \$21 billion. Whatever it was, it has very much to do with the errands that Robert McFarlane is now accused of carrying out on behalf of White House Chief of Staff Donald T. Regan.

### **Bankers' CIA and 'revolutions'**

The "bankers' CIA," or "Trust," or "Submag," or whatever other appellation has been employed at various times, refers to an existent, political organization of powerful private financial interests and not to any particular governmental agency. It has no charter, no Table of Organization and Equipment within the U.S. government. It certainly, however, has been majority-dominant in the CIA's "supergrades" ever since John Foster Dulles maneuvered Gen. Walter Beddell Smith out of the CIA in 1953, and installed his emotionally dependent brother, Allen Dulles.

Therein lies the secret of all those "ex-communists" currently in the Reagan administration. Under the rigorous criteria established by "Beetle" Smith Armand Hammer, for example, would still be considered a Soviet agent. Under Dulles, as ex-CIA officers Tom Braden, Cord Meyer, and others have freely, publicly acknowledged, one of the most populous "Clandestine Services" capabilities was organized under Communist founder Jay Lovestone, who brought in—especially into AIFLD, a self-proclaimed CIA front—a great number of so-called "ex-communists" of the Herbert Romerstein and Roy Godson variety. These were communists belonging to the Thomas Lamont and Corliss Lamont wing of the U.S. Communist Party, the one run by J. P. Morgan & Co. bank. Thomas Lamont was the Morgan Bank official who in 1926 gave the Morgan account to Sullivan & Cromwell, as soon as John Foster Dulles became the law firm's senior partner. The "ex-communist" designation of the Morgan-Lamont agents merely denoted that for 1936 to 1942, Morgan and Stalin had a certain disagreement on strategic policy.

The story of Morgan, Schiff, Sullivan & Cromwell instigation and support for the Russian Revolution, when examined carefully, is virtually identical with the story of how the same Establishment banking powers launched and managed the Khomeini revolution. In fact, other, minor "revolutions" during the 20th century, bear the same characteristics. The pathetic "peoples' power" charade this year in the Philippines, had more to do with John R. Stevenson of Sullivan & Cromwell and with insurance tycoon "Hank" Greenberg than with Mrs. Aquino's charisma. Similar findings will emerge from scrutiny of the 1969 Qaddafi "revolution" in Libya—in which Chase Manhattan's Archibald Roosevelt supplied a lucrative deployment for KGB agent Armand Hammer.

*To be continued.*