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CHAPTER 5: THE CIA

Wild Bill Donovan, the OSS, and the CIA

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William J. Donovan

On May 24, 1979, a 14 ft. bronze statue of General William J. Donovan was dedicated in front of Columbia University's Law School. The dedication speech was delivered by John J. McCloy, who had been Asst. Sec. of War when Donovan founded the Office of Strategic Services in World War II. When Donovan died on Feb. 8, 1959, the Director of the Central Intelligence Agency, Allen W. Dulles, sent a message to all CIA stations around the world, "Bill Donovan was the father of central intelligence. He was a great leader."

International intelligence, or, as it was formerly known, espionage, was not founded by either Donovan or Dulles, who were merely employees of the World Order. The Order founded international espionage to protect their far reaching investments and dealings in slaves, drugs and gold, the commodities on which their wealth was built.

On Nov. 17, 1843, the Port of Shanghai was opened to foreign traders. Lot No. 1 was rented by Jardine Mathieson & Co. Other entrepreneurs were Dent & Co., and Samuel Russell, an American who represented Baring Brothers. Captain Warren Delano, Franklin D. Roosevelt's grandfather, became a charter member of the Canton Regatta Club, and entered into dealings with the Hong Society. Dr. Emmanuel Josephson states, "Warren Delano, Frederic A. Delano's father, founded his fortune on smuggling opium into China." His son, Frederic A. Delano, was born in Hong Kong, and later became the first vice chairman of the Federal Reserve Board in 1914.

Although he was the son of an Irish wardheeler, William J. Donovan studied law at Columbia from 1903 to 1908. His grades were said to be "atrocious", but one of his professors, Harlan F. Stone, took a liking to him. Another protege of Stone was J. Edgar Hoover. As Attorney General Stone shocked Washington by naming Hoover director of the Bureau of Investigation. Another Columbia professor who liked Donovan was Jackson E. Reynolds, later president of the First National Bank of N.Y. who backed Donovan's selection as head of OSS. One of Donovan's Columbia classmates was Franklin Delano Roosevelt.

In 1910, Donovan met Eleanor Robson, an actress who later married August Belmont, American representative of the Rothschilds. There was no question of their marriage – he was looking for a rich wife, she was looking for a rich husband – they began a relationship which lasted for years. Donovan also courted Blanche Lopez, of a wealthy tobacco family, who lived in Rumson, N.J. He then returned to Buffalo, where he opened a law practice. He met Ruth Rumsey, and abruptly dropped Blanche Lopez, never contacting her again.

Ruth Rumsey was heiress of one of the richest families in America. Her father, Dexter Rumsey, and her uncle Bronson owned 22 of Buffalo's 43 square miles. In 1890, Dexter Rumsey was worth \$10 million. His wife was a member of the wealthy Hazard family of Rhode Island, who had owned one thousand slaves, and were the largest slave owners in America. The Rumseys were Masters of the Genesee Valley Hunt, the most exclusive

hunt club in the U.S. Dexter Rumsey died in 1906, leaving his son and daughter 12½% each of his fortune in trust.

Bill Donovan's courtship of Ruth Rumsey was complicated by the reappearance in Buffalo of Eleanor Robson, now Mrs. August Belmont. She turned up at the Studio Club, an acting group run by Katharine Cornell's father, where Donovan had the juvenile lead. La Robson requested that Donovan come to her suite in New York each weekend for "drama lessons". Donovan then took the long train ride to New York City each weekend, causing considerable gossip in Buffalo, where he was already widely known for his philandering. Nevertheless, Ruth Rumsey had determined to marry him, probably because her family was so strongly opposed. Friends of the family stated that had Dexter Rumsey lived, he would never have allowed this marriage to take place, because of Donovan's age; he was 31; his religion, Irish Catholic; and his philandering. The Rumseys were Episcopalian, but Donovan persuaded his wife to bring up their children as Roman Catholics. His brother was a priest. After the marriage, Donovan and his wife moved into the Rumsey family mansion at 742 Delaware Ave. in Buffalo.

Because of his New York connections, the Rockefeller Foundation selected Donovan to go to Europe on a "War Relief Mission" in 1915, the first of many assignments from the World Order. He was to be separated from Ruth Donovan continually during the next three years. While in London, he worked with Ambassador Walter Nelson Page, William Stephenson, who later "advised" him on setting up the OSS, and Herbert Hoover. Donovan spent five weeks in Belgium as an observer with Hoover's Belgian Relief Commission.

When the U.S. entered World War I, Donovan helped organize the "Rainbow" Division, and was given command of the "Fighting 69th". He fought at Landes et Landes St. George, in the Meuse-Argonne sector, where, although wounded, he charged a German machine gun squad on Oct. 15, 1918 with his bayonet. For this feat, he was awarded the Congressional Medal of Honor. His bravery was the subject of wide publicity in the American press, and Current Biography later stated he was the most famous man in the A.E.F. He was with Joyce Kilmer, the poet, when Kilmer was shot down. In 1919 and 1920, Donovan was sent on secret missions to China and Siberia.

After the war, J.P. Morgan established the Foreign Commercial Corp. to float \$2 billion in bonds in postwar Europe. In February, 1920, he asked Donovan to make a secret tour of Europe to obtain intelligence relating to these bonds. Cave Brown described this mission,

"Having helped to finance the war, Morgan wished to help finance the peace by expanding the House of Morgan's interests widely These activities required the best intelligence from the best sources in Europe. Donovan and the Rainbow Division intelligence officer, Grayson Mallet-Prevost Murphy, had been retained by John Lord O'Brian's firm to obtain that intelligence, working in secrecy."

Morgan reportedly paid Donovan \$200,000 for this operation.

During his European reconnaissance, Donovan met Adolf Hitler at Berchtesgaden, and spent an evening with him in his room at Pension Moritz. Donovan later claimed he had not known who Hitler was, but that he found him a "fascinating talker".

In 1922, Donovan was appointed U.S. District Attorney for New York. In 1924, Atty. Gen. Harlan F. Stone, Donovan's Columbia law professor, asked him to come to Washington as Asst. Atty. Gen. Donovan and his wife bought a house in Georgetown (later the home of Katharine Meyer) at 1637 30th St. Donovan's first official act was to demand that Stone fire J. Edgar Hoover from the Bureau of Investigation. Instead, Stone, who was Hoover's patron as well as Donovan's, appointed Hoover Director of the Bureau of Investigation Dec. 18, 1924.

Donovan also became involved in another political football, the prosecution of Senator Burton K. Wheeler. Wheeler was defended by Senator Tom Walsh, one of the most powerful politicians in Washington, but Donovan, against all advice to the contrary, insisted on proceeding with the prosecution. It was said that the charges against Wheeler were "ludicrous", and Stone asked Donovan to drop the case, but he stubbornly

proceeded to indict Wheeler before a District of Columbia grand jury. When the case was tried in Great Falls, the jury deliberated only ten minutes before bringing in a verdict of acquittal for Wheeler.

Such a boner would have destroyed the careers of most men in Washington, but Donovan was under the protection of Herbert Hoover, his associate from World War I. Between 1924 and 1928, he was Hoover's closest associate. Hoover took him to the Bohemian Club, the sacrosanct West Coast powerhouse where he was the directing figure. Hoover then persuaded President Coolidge to appoint Donovan to the Colorado River Commission, a seven state authority which organized the proposals for the Hoover Dam (later renamed the Boulder Dam by FDR, and still later, renamed the Hoover Dam by Act of Congress in 1947.)

During the 1920s, Republican politicians favored the nomination of Dawes for president. Although it seemed that he was backing a sure loser, Donovan worked as Hoover's top strategist for four years. When Hoover was nominated on the first ballot at the Republican Convention (a tribute to the power of the Rothschilds), Donovan wrote his acceptance speech. It was understood that Donovan was to be Hoover's running mate. However, Hoover immediately realized that because he was running against Al Smith, a Roman Catholic, he would lose the massive anti-catholic vote if he picked Donovan, also a Roman Catholic, as his running mate. Hoover had no intention of losing his trump card in the forthcoming election. He cast Donovan aside without a second thought, and even refused to consider him for a cabinet post, such as Attorney General, probably the only time in American politics that the architect of a successful Presidential campaign was denied a position on the team or in the Cabinet.

The disheartened Donovan decided to forego political life. In 1929, he organized the law firm of Donovan, Leisure, Newton and Irvine, with offices at 2 Wall St. He also took a 23 room suite at the Shoreham Hotel for the firm's Washington offices. During ensuing years, Donovan rarely saw his wife, although they were never legally separated. Dunlop's biography of Donovan notes that "He always had his pick of feminine admirers. To many of the women he met, Donovan was irresistible." Ruth Donovan stayed at their summer home on the South Shore of Massachusetts, or at their New York apartment on Beekman Place.

Despite his disappointment with Hoover, Donovan continued to take an active role in national politics. He ran Knox's campaign for the Republican nomination in 1936, and his firm defended American Telephone and Telegraph in an anti-trust suit by the government. Donovan won handily, which brought in a new influx of business to his firm.

In 1937, Donovan renewed his association with the Rothschilds. The Viennese branch of the family had lost extensive holdings in Bohemia when the Nazis moved into Czechoslovakia. Because Donovan had already established a network of informants in the highest echelons of the Nazi government, including Admiral Canaris, the Rothschilds asked him to salvage their interests. He went to Germany to argue their case, but despite his important contacts, he was defeated by Hitler's view of the Rothschilds as a symbol of what he hoped to achieve in his battle against "the international bankers". The Rothschilds were not overly concerned; they knew that World War II was on its way, and that the outcome had been decided in advance.

Donovan won another important legal victory in 1937, when he and a staff of 57 lawyers defended 18 oil firms against anti-trust charges. His clients were let off with nominal fines, and once again Donovan was considered the winner.

His German contacts now invited him to observe the Nuremberg maneuvers, as a guest of the German General Staff. He also accompanied them on a trip to observe the progress of the Spanish Civil War. Although he was there as an invited guest of "the Fascists", Donovan was soon to build the OSS around the hard core of the Communist Lincoln Brigade. He met Kim Philby in Spain, who was writing about the Civil War as a "pro-Nazi" journalist, a pose he carried off successfully despite his recent marriage to Litzi Friedmann, a fanatical Communist and Zionist provocateur.

On April 10, 1940, Donovan's daughter, Patricia wrecked her car near Fredericksburg, Va. and was killed. She was his only daughter; there was also one son, David, who married Mary Grandin, Patricia's roommate at boarding school, and heiress of a wealthy Philadelphia family. Associates said that Donovan never got over his

daughter's death. Because he had received the Congressional Medal of Honor, Patricia was buried in Arlington National Cemetery. His grief-stricken wife left for a round the world cruise on Irving Johnson's ship, *Yankee*.

The Office of Strategic Services (OSS)

On May 29, 1940, William Stephenson arrived in New York with a letter to Donovan from Admiral Blinker Hall, a British Naval Intelligence officer whom Donovan had met in 1916. The letter proposed an American intelligence agency, although we were not at war. Franklin D. Roosevelt sent Donovan to London with orders to develop this program, as an "unofficial observer". Despite efforts at secrecy, there was widespread journalistic speculation about his mission for Roosevelt. He then made a tour of southeast Europe for the President, gauging the status of the German occupied countries. Although this was an obvious espionage mission, the Germans placed no obstacles in his path. They were anxious to maintain good relations with the United States.

After Donovan delivered his report to the President, he was named Coordinator of Information by the White House. Because he had had no experience in propaganda work, the office was later split into the Office of War Information, Executive Order 9128, and the Office of Strategic Services, Military Order of June 13, 1942. Donovan was placed in charge of the OSS.

The "new" agency was from the outset merely an outpost of British Intelligence. On Sept. 18, 1941, Col. E.I. Jacob, Churchill's military secretary, was informed by Maj. Desmond Morton Church, Churchill's liaison with the British secret service,

"Another most secret fact of which the Prime Minister is aware is that to all intents and purposes U.S. Security is being run for them at the President's request by the British. A British officer sits in Washington with Mr. Edgar Hoover and General Bill Donovan for this purpose. It is of course essential that this fact should not be known."

For some months, Donovan had been living in a suite at the St. Regis Hotel in New York. He and William Stephenson had been meeting regularly since 1940 to organize the new agency. Stephenson was working directly under Col. Stewart Menzies, head of Special Operations Executive, the top British intelligence agency. As cover, Menzies was Colonel in the Life Guards, the escort troop of the King. Stephenson was head of SIS, (Special Intelligence Section). When Donovan had left for London July 15, 1940 on his mission for Roosevelt, Stephenson had wired London, "Col. Wm. J. Donovan, personally representing the President, left yesterday by clipper. U.S. Embassy not, repeat, not being informed."

This was a replay of the House-Wilson-Wiseman operation during World War I. Not only were the American people left in the dark, but concerned agencies were never told what the conspirators had planned. Donovan's London mission was a slap in the face to the U.S. Ambassador, Joseph Kennedy. Roosevelt called Donovan "my secret legs", and he assured Stephenson in a private interview, "I'm your biggest undercover agent."

In "A Man Called Intrepid", Stephenson is quoted as saying that after April, 1939, "The President was one of us." It was also in 1939 that Roosevelt privately told Mackenzie King, Prime Minister of Canada and a longtime Rockefeller agent, "Our frontier is on the Rhine." This same book quotes Churchill as saying, on the eve of war, "We need Rockefeller and Rothschild." Stephenson replied, "I can find the Rockefellers and they'll support us. We can offer our secret intelligence in return for help."

Indeed, the Rockefellers gave Stephenson an entire floor rent free at Rockefeller Center, where the agency has operated ever since. A later book, "Intrepid's Last Case" notes that

"What some would later call the secret SIS Secret Occupation of Manhattan began in 1940. By 1941, J. Edgar Hoover was complaining that the Rockefeller Center headquarters of British Security Coordination controlled an army of British secret agents, a group of nine distinct secret agencies. Attorney General Biddle was quoted as saying 'The truth is nobody knows anything about what Stephenson does'."

Had “anyone” known, Stephenson would have had to be arrested and deported. German sailors were being deliberately murdered by Stephenson’s provocateurs in New York as acts designed to force Hitler to declare war against the United States. The INTREPID file in SOE (Stephenson’s cover name) described it as “a reign of terror conducted by specially trained agents and fortified by espionage and intelligence in Occupied Europe.” Every act of Donovan and Stephenson was a violation of American neutrality.

Donovan’s law office at 2 Wall Street was next to the Passport Control Office. He had special passports prepared for Stephenson’s British agents. Stephenson had offices at three locations, Hampshire House, Dorset Hotel, and Rockefeller Center. Allen Dulles had opened a branch office of Coordinator of Information at Rockefeller Center in 1940. He evicted all the tenants on the 25th floor of 30 Rockefeller Plaza, which was the floor above the UK Commercial Corporation, whose president was William Stephenson. This agency was set up after Stephenson complained on April 14, 1941 that Standard Oil was supplying the Germans through Spain, and that it was acting as a hostile and dangerous agency of the enemy. A 400 page report by Stephenson listing Standard Oil and other American corporations dealings with the Germans was turned over to the FBI in 1941. J. Edgar Hoover prudently buried it.

Nelson Rockefeller, as Coordinator of Inter American Affairs, covered up the supplying of German military forces from his South American subsidiaries. Listed in the Stephenson Report were Standard Oil, I.G. Farben, a subsidiary of Standard Oil; Ford Motor Co.; Bayer Aspirin (Sterling Drug); General Aniline and Film; Ansco; and International Telephone and Telegraph. Co. Sosthenes Behn, head of ITT, had hosted a lavish conference of German intelligence operatives at the Waldorf Astoria in 1940. The German director of ITT was Baron Kurt von Schroder, of the Schroder banking family of Cologne, London and New York, who was Hitler’s personal banker.

The OSS was actually set up by four members of the British Chief of Staff:

- Lord Louis Mountbatten (formerly Battenberg), a cousin of the King, and related to the Frankfort banking families, Rothschild and Cassel;
- Charles Hambro, director of Special Operations Executive, and director of Hambros Bank;
- Col. Stewart Menzies, head of Secret Intelligence Service; and
- William Stephenson, in charge of SIS American operations.

An ancestor of Col. Menzies had been a notorious Jacobite double agent during the last days of James II’s reign. The present Menzies was the son of Lady Holford; he married Lady Sackville, daughter of the 8th Earl de la Warre, of the Sackville-West family which owned historic Knole; second, he married Pamela Beckett, daughter of J.Rupert Beckett, chmn of Westminster Bank, now National Westminster Bank, one of England’s Big Five. Menzies’ mother-in-law was the daughter of Lord Berkeley Paget, Marquess of Anglesey. Menzies’ daughter married Lord Edward Hay, Marquess of Tweedsdale, Earl of Kinoull, related to Countess of Errol. The present Sir Peter Menzies is a director of National Westminster Bank, treasurer of the giant Imperial Chemical Industries, and director of Commercial Union Assurance Co. In the British Who’s Who, 1950, Col. Menzies noted that he had been appointed “C”, head of MI6 from 1939-51, but in later editions, he omitted this information.

Ford states in his “Acknowledgements”,

“Lord Mountbatten of Burma was a close personal friend of Donovan as one of the four members of the British Chief of Staff Committee which helped Donovan in the formation and operation of Office of Strategic Services.”

The “American” secret service was never anything but a British operation, directed at all levels by representatives of the British Crown. OSS agents received advanced training for the European theater at Bletchley Park, British espionage headquarters. This site was chosen because it was only ten miles from Woburn Abbey, where Lord Beaverbrook’s agent, Sefton Delmer, operated the British “dirty tricks” center and other propaganda activities. Woburn Abbey was the ancestral home of the Duke of Bedford, Marquess of Tavistock. The British Bureau of Psychological Warfare operated as the Tavistock Institute.

The membership list of CFR members in 1946 reveals the names of many OSS and OWI operatives;

- Lyman Bryson, who was with the American Red Cross in Paris, 1918-19, chief of special operations, OWI 1942, and a director of CBS;
- Thomas W. Childs, Rhodes Scholar, Paris representative of Sullivan & Cromwell (the Dulles law firm), exec. asst. to British Govt. War Supply US, British Embassy, Washington, 1940-45, partner Lazard Freres 1995-48, holds Order of the British Empire, leader in English-Speaking Union;
- Nicholas Roosevelt, American Commission to Negotiate Peace, Paris, 1919, OWI 1942-43; Joseph Barnes, director OWI's Foreign Operations, organized Willkie's world tour 1942, coined the phrase "One World", identified as a Communist agent;
- Elmo Roper, the famed pollster SS agent 1942-45; Gaudens Megaro, chief Italian Section OSS 194;-045;
- Henry Sturgis Morgan, son of J.P. Morgan, director Pullman, General Electric;
- Shepard Morgan, London director OSS 1943-44, was with Federal Reserve Bank of New York 1916-24, director reparations payments Berlin 1924-30 supervised by Chase Natl. Bank, later chmn Natl Bureau of Economic Research, the Rockefeller propaganda operation;
- John Gardner, OSS Europe 1999-45, then joined the Carnegie Corp.;
- Allen W. Dulles chief OSS Europe, director J. Henry Schroder, later first director CIA;
- John Haskell, OSS 1943-44, formerly with Natl City Co. 1925-31.

Another son of J.P. Morgan, Junius, was placed in charge of OSS finances. Paul Mellon and his brother-in-law, David Bruce joined OSS – Bruce was in charge of the London office, later was Ambassador to France. OSS also had operatives from the Vanderbilt, Archbold, DuPont and Ryan families, giving rise to the quip that OSS meant "Oh So Social". James Paul Warburg, son of Paul (who had written the Federal Reserve Act), was Donovan's personal assistant in setting up OSS. William J. Casey, present head of CIA, was chief of secret intelligence OSS Europe.

In Feb. 1981, OSS veterans held a gala reunion in New York. Present were Margaret Thatcher, Prime Minister of England; Julia Child; Beverly Woodner, Hollywood designer; John Shaheen, who had been chief of OSS Special Projects now a wealthy oil man; Ernest Cuneo, who had been liaison between OSS and FDR; Arthur Goldberg, labor lawyer and Zionist leader, later Supreme Court Justice and U.S. Ambassador to the U.N.; Bill Colby, later chief of CIA; and Temple Fielding, the travel authority who began his travel expertise with OSS. One of OSS' most famous agents who didn't show up, was Ho Chi Minh.

OSS agents became prominent members of "the new class" in Washington; Archibald MacLeish became Librarian of Congress; Ralph Bunche became U.S. Representative to the U.N.; S. Dillon Ripley became head of the Smithsonian.

The Lincoln Brigade and the Spanish Civil War

Donovan had been chosen to head the OSS because of two decades in which he carried out secret missions for the Morgans, the Rockefellers and the Rothschilds. When he staffed the agency with known Communists, they offered no objection. He had earlier provided unpaid legal help for members of the Communist mercenary force, the Abraham Lincoln Brigade. Now he welcomed these veteran "anti-Fascists" into OSS. Ford writes, "In the OSS employment of pro-Communists was approved at very high levels. OSS often welcomed the services of Marxist enthusiasts."

When J. Edgar Hoover, eager to embarrass a rival, sent agents to Donovan with FBI dossiers on Communist OSS employees, Donovan replied, "I know they're Communists—that's why I hired them." Donovan loaded OSS with such fanatical Communists that they became a joke in Washington. He appointed Dr. Maurice Halperin Chief Latin American Div. OSS. Halperin regularly altered the information which came across his desk to fit the current party line. He often kept his office locked, causing other OSS employees to joke that "Halperin must be having another cell meeting." After the war, J. Edgar Hoover testified before Congress about Halperin's Communist background. Halperin later moved to Moscow, then to Havana.

Despite the damning dossiers which J. Edgar Hoover maintained on leading Communists in the OSS, he could find no politician willing to buck FDR's three White House assistants, Hiss, Currie and White. Eleanor Roosevelt had been one of the most frenetic activists on behalf of the Lincoln Brigade. Joe Lash gave her a small bronze of a Communist soldier, which she kept on her desk for the rest of her life. Donovan even appointed Irving Goff head of OSS in Italy after the Salerno landing. Goff had been commander of the Lincoln Brigade, and was later chairman of the Communist Party in Louisiana and New York.

The Spanish Civil War had created an alliance between American "intellectuals" and the Communists. In "Passionate Years", Peter Wyden reports that Archivist Victor A. Berch, of Brandeis University, said 40% of the Lincoln Brigade were Jewish. Oddly enough, the "Fascists", the Falange, was led by two marranos, General Franco and his financial backer, Juan March. March paid for Franco's return to Spain with a \$2 million credit at Kleinwort's of London. In July, 1936, March placed \$82 million of securities in Nationalist accounts. He deposited \$1.5 billion in gold at the Bank of Italy, 121.5 metric tons greater than the gold reserve of most nations.

The Communists stole the Spanish gold reserve and shipped it to Russia. NKVD General Alexander Orlov, on orders from "Ivan Vasilyevitch", a rare code name for Stalin, loaded Spain's gold reserve on the Soviet ship *Komsomol* Oct. 25, 1936; it arrived in Odessa Nov. 2, and was trucked to Moscow's Precious Metals Deposit, Gohkran, \$788 million. \$240 million had also been shipped to France from Spain.

The Lincoln volunteers surrendered their passports to NKVD officers when they arrived in Spain. These passports were then routinely used in Communist espionage. The murderer of Trotsky was arrested in Mexico with a Canadian passport issued to Tony Babich, who was killed in the Civil War. Gouzenko later exposed a Communist agent in Los Angeles using the passport of Ignacy Witczak. Witnesses saw stacks of these Lincoln passports stacked in the Lubianka prison, waiting to be used.

Ernest Hemingway wrote that "The Spanish Civil War was the happiest time of our lives." He modelled his hero in "For Whom the Bell Tolls" on Robert Merriman, a Moscow agent who was receiving a \$900 a year fellowship from the University of California. Hemingway wrote and produced a film, "The Spanish Earth" to raise money for the Communists, aided by Archibald Macleish, Dashiell Hammett and Lillian Hellmann. Hemingway put up \$2750 for the film, and donated all his royalties. He toured Hollywood to raise funds for the Communists, an effort reciprocated when they named his book "For Whom the Bell Tolls" a book-of-the-Month Club selection and a multi-million dollar Hollywood production. This was how one achieved "artistic success" in the 1940's.

The English contingent fighting in Spain for the Communists included Virginia Woolf's nephew, Julian Bell, who was killed, and Eric Blair, later known as George Orwell. He was in the front line for 112 days before being wounded. He later wrote "1984" a propaganda coup for the World Order which claimed no one would be able to withstand their power. He concluded "1984" with the observation that the future would be marked by a jackboot being stamped into the human face forever.

Journalists to a man rallied to the Communist cause. A.M. Rosenthal, executive editor of the *New York Times*, said of his brother-in-law, George Watt, Commissar of the Lincoln Battalion, "God, how I admired that man. He was my hero." Herbert L. Matthews wrote in 1946,

"Nothing so wonderful will ever happen to me again as those two and a half years I spent in Spain. There I learned that men could be brothers. Today, wherever in this world I meet a man or woman who fought for Spanish liberty I meet a kindred soul. Nothing will ever break that bond. We left our hearts there."

Despite his despair, Matthews was able to relive the glory of Spanish years when he promoted Castro and a band of six guerillas into the dictatorship of Cuba, through a frenetic propaganda barrage in the *New York Times*.

Kim Philby, later active with the OSS and CIA as British Liaison also was prominent in the Spanish Civil War. Son of the famed Arabist, Sir Harold Philby, he joined the Cambridge Socialist Society in 1929. He worked for

the British Treasury 1932-33 and was recruited by the communist party. In 1934, in Vienna, he married Litz Friedmann, a communist agent. Witness at the marriage was Teddy Kollek, later a fundraiser for the Israeli terrorists, now Mayor of Tel Aviv.

Working as a Soviet mole, Philby was financed by the Schroder Bank in 1934 to publish a pro-Hitler magazine for the Anglo-German Fellowship. The *Times* then sent him to Spain to cover the Civil War. He took as his mistress the divorced wife of Sir Anthony Lindsay-Hogg, Frances Doble, a Falangist sympathizer whose Salamanca palace became his Spanish headquarters. The daughter of a Canadian banker, Doble lavishly entertained the Falangist leaders. Philby frequently met General Franco there.

Philby was recruited for the British SIS in 1940. In 1942, he helped Norman Holmes Pearson, a Yale professor who specialized in the work of Ezra Pound, to set up the London office of OSS with Charles Hambro chief of SOE. In 1949, Philby was sent to Washington as SIS liaison officer with the CIA and FBI. J. Edgar Hoover frequently lunched at Harvey's Restaurant with Philby and James Angleton of the CIA. While CIA station chief in Rome, Angleton worked closely with the Zionist terrorists Teddy Kollek and Jacob Meridor, and later became chief of the Israeli desk at the CIA, helping Philby to set up the lavishly funded international Mossad espionage operation, all paid for by American taxpayers. A senior CIA security official, C. Edward Petty, later reported that Angleton might be a Soviet penetration agent or mole, but President Gerald Ford suppressed the report.

Top secret files of the CIA and FBI were opened to Philby, despite widespread claims that he was a Soviet agent. Although he helped Burgess and MacLean defect to Russia in 1951, he continued to work for SIS until 1956, under the protection of Harold MacMillan, who defended him publicly in parliamentary debate. In 1962 and Englishwoman at a party in Israel said, "As usual Kim is doing what his Russian Control tells him. I know that he always worked for the Reds." Miles Copeland says that Philby placed a mole in deep cover in the CIA known as "Mother". Philby was quoted as saying, "Foreign agencies spying on the U.S. Government know exactly what one person in the CIA wants them to know, no more and no less." Philby was finally exposed by a defector, Michael Goleniewski. On Jan. 23, 1963, Philby left Beirut and defected to Moscow, where he became a Lt. Gen. in the KGB. On June 10, 1984, Tad Szulc wrote in the *Washington Post* that Philby was never a Soviet agent, according to CIA memoranda introduced in a lawsuit, but that he was a triple agent. This explains curious paradoxes in the supposed rivalry between the CIA and the KGB, when certain charmed souls float easily back and forth between the two services. Agents of either service are "eliminated" when they find out more than is good for them about this odd arrangement.

"Intrepid's Last Case" states that

"For 38 years there was an official NKVD mission in London whose agents were assisted by both British Special Operations and the American OSS. Only now is it clear that Moscow had received hundreds of top secret OSS research studies; and that the British had supplied guerilla warfare expertise to the chief of the NKVD's subversive operations, Col. A.P. Ossikov!"

In 1993, Donovan was sent on a special mission to Moscow, to establish a permanent alliance between the OSS and the NKVD. Donovan, W. Averill Harriman, and Lt. Gen. Fitin and Maj. Gen A.P. Ossikov of the NKVD worked out a plan to establish offices of the NKVD in key American cities. On Feb. 10, 1944, J. Edgar Hoover sent a confidential message to Harry Hopkins,

"I have just learned from a confidential source that a liaison arrangement has been perfected between the OSS and the NKVD whereby officers will be exchanged between the services; the NKVD will set up an office in Washington."

Hopkins was forced to contact Atty. Gen. Biddle to alert the Dept. of justice to this operation; because of the coming election, Roosevelt prudently withdrew his support for the plan.

Because of their co-operation with the NKVD and the prominent Communists in OSS, General Douglas MacArthur refused to allow any OSS agent in his theater of operations in the Pacific. Donovan went to MacArthur's headquarters on April 2, 1944 and made a personal appeal to him, but was rebuffed. MacArthur

considered the OSS agents more dangerous to American Security than any military opponents. In Donovan's Washington headquarters, Estelle Frankfurter was caught stealing confidential OSS reports. She was discharged, although her brother, justice Felix Frankfurter, was Roosevelt's closest confidante. As organizer of the Harold Ware cell, Frankfurter had placed Soviet operatives in many Government agencies, and had put his personal protege, Alger Hiss, in FDR's office. Frankfurter's brother, Otto, served a sentence in Anamosa State Prison, Iowa for Fraud.

While Joseph E. Davies was Ambassador to Moscow, the State Dept. in 1937-38 was ordered to destroy all of its irreplaceable files on the Soviet Union. The Russian Division of the State Dept. was abolished, and the last anti-communist survivors were summarily fired.

Since 1935, seven Soviet networks of espionage had been active throughout Europe. Known by their German name, *die Rote Kapelle*, the Red Orchestra, they were run by Grand Chief Leopold Trepper, who later emigrated to Israel. In January, 1942, Allen Dulles enlisted *die Rote Kapelle* to form an anti-German group led by Baron Wolfgang von Pultitz, who later arranged for the defection to East Germany of Otto John, head of West Germany's FBI. During World War II, both von Pultitz and John had worked under Charles Hambro at Britain's SOA.

The Staging the Second World War

General Alfred E. Wedemeyer later testified that in 1942 he had proposed a guaranteed plan to shorten the war by at least a year, invading France across the Channel. Winston Churchill argued for his "soft Underbelly" approach through North Africa and Sicily. Gen. Marshall called Wedemeyer before Churchill and Roosevelt to explain his plan, on which he had worked for months, perfecting every detail. Churchill persuaded Roosevelt to postpone the Wedemeyer plan for another year, while the Churchill plan was put into action in North Africa in Nov. 1942. Wedemeyer's plan was vindicated in 1946 by Gen. Franz Halder, Chief of Staff of the German Army, who said the Wedemeyer cross-Channel invasion would have been a decisive and timely blow which would have shortened the war by at least a year. However, ending the war in 1943 would have cost the munitions manufacturers many billions in profits.

Ezra Pound broadcast on July 17, 1943.

"I reckon my last talk was the most courageous I have ever given. I was playing with fire. I was openly talking about how the war may be prolonged, by fellows who were scared that the war might stop. I mean they're scared right out of their little gray panties, for fear economic equity might set in as soon as guns stop shooting or shortly thereafter. The stage scenery fell with a flop, simultaneously with some anti-Axis successes."

What was Pound talking about? Stage scenery – what a cynical way to describe a world conflagration in which one hundred million people were dying. Pound exposed the charade. Early in the war, a British Secret Service operation, Operation Ultra, had obtained the German coding machine. They were able to read every secret order from Hitler and the German General Staff. It was like shooting fish in a barrel. F.W. Winterbotham, chief of Air Intelligence, SIS, wrote about his operation of Ultra, "The Ultra Secret". He says,

"On Aug. 2 (1944) which I remember, covered two whole sheets of my Ultra paper, Hitler told Kluge not to pay any attention to the American breakout. He then outlined his master plan for handling the entire invasion."

Had Hitler had access to all secret communications of the Allies, he would have had an unbeatable advantage. The Allies listened to all of his orders, and reacted accordingly. Early in the war, Ultra informed them that the Germans were planning a massive bombing raid on Coventry. If they evacuated the city, it would show the Germans they were listening to their plans. Churchill ordered the British to do nothing. The Germans bombed Coventry, killing thousands of women and children. The Ultra secret was protected at the cost of many British lives.

The British also had a double agent, Baron Wilhelm de Ropp, who was Hitler's personal confidante on British policy. De Ropp had lived in England since 1910. He married an English wife, but maintained an apartment on the Kurfurstendamm, as a journalist moving between Germany and England. His closest friend in England was F.W. Winterbotham, chief of Air Intelligence. In Feb. 1939, de Ropp took Winterbotham to Germany, where he conferred with Hitler, Rudolf Hess, and von Milch, head of the German Air Force. Winterbotham writes,

“By 1934, I had obtained personal contact with the Head of State, Hitler, and with Alfred Rosenberg, the official Nationalist Party Philosopher and Foreign Affairs expert, and Rudolf Hess, Hitler's deputy. From my personal meetings with Hitler I learned about his basic belief that the only hope for an ordered world was that it should be ruled by three superior powers, the British Empire, the Greater Americas, and the new Greater Reich. I felt that his desperate desire for peace was no bluff. (At Dunkirk) Hitler told his General Staff exactly what he had told me in 1939; it was necessary that the great civilization Britain had brought to the world should continue to exist and that all he wanted from Britain was that she should acknowledge Germany's position on the Continent.”

Hitler failed to comprehend the depravity of the behind the scenes figures of the World Order who had gained control of the British Empire with the South Africa wealth they had won in the Boer War. This hoard of gold and diamonds represented the greatest influx of new purchasing power into Europe since the Spanish galleons brought in the gold of the Incas. The resistance encountered in this war caused the planners to resolve that in the future, wars would be managed as precisely as any other business operation. Their philosophy of Hegelian determinism called for setting up two opposing forces, thesis and anti-thesis, which would be thrown against each other in conflict to produce an outcome, synthesis.

Between the two World Wars, it was necessary to rearm Germany, and also to back a German Government strong enough to prepare the nation for another war. The same people who had supplied Germany from 1916 to 1918 in order to keep World War I going now backed the Nazis to produce a Second World War. The Schrodgers and Rothschilds had set up Hoover with the Belgian Relief Commission, in partnership with Emile Francqui, “the Beast of the Congo”, later the U.S. Food Administration, run by selfless men who inexplicably amassed sudden fortunes in sugar, grain and shipping. Two of these men, Prentiss Gray and Julius H. Barnes, then became partners in Schroder Co. The *New York Times* Dec. 11, 1940 noted that

“Baron Bruno von Schröder died at his home here, Dell Park, Englefield Green, Surrey. He came to England in 1900 and was naturalized in 1914. He established J. Henry Schroder & Co. in London 1904 and in New York, 1923. His son Helmut W.B. Schroder now becomes head of the firm. His partner Frank Cyril Tiarks has been a director of the Bank of England since 1912. In 1923, Baron von Schroder bought the Baghdad Railway. The deal was the biggest ever made under cover of the Lausanne Conference disposing of former German concessions in Turkey, and the Rothschilds and Lloyd's Bank shared with Baron Schroder in the syndicate that advanced \$25 million to start the rebuilding of the lines.”

The importance of the Schroder firm between the two world wars is shown by the following excerpts; *New York Times* Dec. 3, 1923;

“The first installment of capital for the new currency bank which will grow out of the Rentenbank was issued in Berlin today in the shape of checks in pounds sterling, to the value of 25 million gold marks (\$6,250,000) from the London bankers Schroder & Co., whose share in the capital loan is 100,000,000 gold marks, (\$25,000,000). Baron Henry Schroder who is the head of the firm, has long been closely connected with German financial interests in the international field.”

New York Times Nov. 25, 1928;

“J. Henry Schroder Banking Corp. Finance and Trade Commentary states, ‘If, in the forthcoming reparations conference, the external obligations of Germany are fixed at some reasonable figure, it would be an important step in Germany's whole economic recovery’.”

New York Times, Nov. 2, 1928:

“J. Henry Schroder Co. floats a \$10,000,000 6% loan to Prussian Electric Power Co. in partnership with Brown Bros Harriman.”

New York Times, Nov. 14, 1929;

“The Prussian State has arranged a \$5 million loan from J. Henry Schroder Co. to extend Stettin Harbor.”

New York Times, Jan. 27, 1933;

“The City Co. of New York and the J. Henry Schroder Trust Co. have been designated as German bond scrip agents by the Gold Discount Bank of Berlin. Representatives of American houses of issue said yesterday that they were without direct advice from Berlin, where the Germans and representatives of other creditors are now conferring. The bankers are represented there by John Foster Dulles of the law firm of Sullivan and Cromwell.”

New York Times, April 19, 1940;

“The J. Henry Schroder Banking Corp. has succeeded Speyer & Co. as fiscal and paying agent for city of Berlin 25 years 6½% gold bonds due in 1950.”

A leading economist, Professor von Wiegand, has gone on record criticizing the present writer for statements about the Schroder Co. claiming the firm had little or no connection with Germany, apparently because he had not researched the subject in the *New York Times*. The president of J. Henry Schroder also issued a denial in 1944 that they had done any business in Germany.

Adolf Hitler had joined the German Workers Party in 1919 because it was supported by the Thule Society, an influential German society of aristocrats and financiers. In 1921, Hitler met with Admiral Schroder, commander of the German Marine Corps. In Dec. 1931, the circle of Friends was formed, twelve prominent German businessmen who promised to donate regularly to the Nazi Party. Baron Kurt von Schroder, partner of J.H. Stein Co. Cologne bankers, was the leader of this group. J.H. Stein then became Hitler's personal banker. Hitler's aide, Walther Funk, met with Schroder to discuss the real views of Hitler on questions concerning the international bankers. Funk was able to satisfy Schroder, and the financial support of the Nazi Party continued.

Maj. Winterbotham points out that Lord Montagu Norman, Governor of the Bank of England for more than thirty years, was Hjalmar Schacht's best friend. Schacht, Hitler's Finance Minister, named his grandson Norman because of the friendship. Paul Einzig, in “Appeasement Before, During and After the war”, says

“On May 29, 1933, Mr. F.C. Tiarks of the British Banking Delegation met with Dr. Schacht, and found Dr. Schacht's attitude wholly satisfactory.”

Mr. Tiarks was a longtime partner of J. Henry Schroder and director of the Bank of England since 1912. His granddaughter married the present Duke of Bedford.

On p.78, Einzig says,

“Towards the end of 1936 a new firm was registered in London under the name of Compensation Brokers Ltd. which was controlled by the banking house of J. Henry Schroder & Co., and Hambro's Bank Ltd., with the declared object of assisting with barter transactions between Germany and various parts of the English Empire.”

When Alfred Rosenberg came to London, he was introduced to many leading figures, including Geoffrey Dawson, editor of the Times, Walter Eliot, M.P. Lord Hailsham, secretary for War, and the Duke of Kent, brother of king Edward VIII and George VI. The Duke of Coburg, a close friend of Hitler, had three long talks with

King Edward VIII on his accession in January 1936. Edward assured the Duke of his sympathies with the Third Reich. In 1965, the then Duke of Windsor remarked, "I never thought Hitler was such a bad chap." The story behind Edward's sudden abdication was that his advisers realized he would not sign the papers for mobilisation against Germany. An American divorcee was brought into the picture. She led Edward off to the Rothschild castle in Austria, while his "slightly retarded" brother George was installed as King of England.

During the mid-thirties, three isolationist groups were active in England, "The Link", led by Admiral Sir Barry Domvile, and composed of genuinely patriotic Englishmen; the Anglo-German Fellowship, organized by J. Henry Schroder Co. with the help of the Soviet mole Kim Philby to lull Hitler into the belief that England would never declare war on him; and "the Cliveden Set", who met at Lord Astor's palatial castle, Gliveden, to promote "appeasement".

On Jan. 4, 1933, Hitler met with the Dulles brothers at the Cologne home of Baron Kurt von Schroder to guarantee Hitler the funds needed to install him as Chancellor of Germany. The Dulles Bros. were there as legal representatives of Kuhn, Loeb Co., which had extended large short-term credits to Germany, and needed a guarantee of repayment. Allen Dulles was later esconced in Switzerland by the OSS during World War II. Still later, he became Director of the CIA. He had been a director of J. Henry Schroder Co. for many years.

On June 11, 1934, Lord Norman and Schacht met secretly at Badenweiler in the Black Forest, and again in Oct. 1934, to guarantee loans to National Socialist Germany. The J.H. Stein Bank of Cologne and the London and New York branches of Schroder Bank were correspondent banks often involved in transactions throughout the Hitler regime. Baron Kurt von Schroder was a member of the Herrenklub, the most influential group in Germany, and the Thule Society, which had most Hitler's career in 1919. He was director of all of ITT's German subsidiaries, SS Senior Group Leader, Deutsche Reichsbank, and many other high-ranking positions (listed by the Kilgore Committee, 1940).

On Sept. 30, 1933, the financial editor of the London *Daily Herald* wrote about

"Mr. Montagu Norman's decision to give the Nazis the backing of the Bank of England."

Norman's biographer, John Hargrave, writes, "It is quite certain that Norman did all he could to assist Hitlerism to gain and maintain political power, operating on the financial plane from his stronghold in Threadneedle Street."

Another Hitler supporter was Sir Henry Deterding, of Royal Dutch Shell, which had been founded by the Samuel family. In May, 1933, Alfred Rosenberg was a guest at Deterding's large estate, Buckhurst Park, Ascot, one mile from Windsor Castle. Oswald Dutch writes that in 1931 Sir Henri Deterding and his backers, the Samuel family, gave Hitler 30 Million pounds. Deterding then divorced his wife, and married his secretary, an ardent Nazi and German.

Otto Strasser wrote that Schroder agreed to "foot the bill" for the Nazi Party at a secret meeting, and guaranteed their debts, ending up collecting a generous amount of interest on his original capital. (Senate Hearings, Committee for Military Affairs, 1945).

In England, journalist Claud Cockburn led the fight against the "Cliveden Set", seemingly unaware that three of the Astors had founded the Royal Institute of International Affairs. He wrote indignantly,

"The Astors and others clustered around Chamberlain were a set of appeasers who saw Hitler's regime and their collaboration with it as necessary to maintain the social order they preferred."

The Cockburns are too self-limited to understand that the "appeasers" collaborated with Hitler only to obtain the world war which was essential to their world program. Hitler was duped into going into the Rhineland, duped into going into Czechoslovakia, and duped into attacking Poland. The advertised belief is that he was amazed at the weakness of the opposition to these moves; in fact, he had been promised there would be no opposition, until he went into Poland and discovered he had been duped.

Once Hitler had served his purpose, these same bankers plotted to assassinate him. We know the names of Count von Stauffenberg and Fabian von Schlabrendorff, aristocrats who tried to kill Hitler, but on July 22, 1984, the Washington Post revealed the name of the master-mind, Axel von dem Bussche. He married the daughter of the Earl of Gosford, Baron Acheson, air attache at the Paris Embassy. Baron Acheson had married the daughter of John Ridgely Carter, a partner of J.P. Morgan Co., whose father, a Baltimore lawyer, had been legal counsel for the Pennsylvania Railroad and many other railroads. John Ridgely Carter married Alice Morgan, was secretary of the American Embassy, London, 1894-1909, and was partner in J.P. Morgan Co. 1914, and also the Paris branch, Morgan Harjes Co.

Dean Acheson, a cousin of the Gosfords, also worked for J.P. Morgan Co. and later became Secretary of State. The 2nd Earl Gosford had been Gov. Gen. of Canada and governor-in-chief of all British North America. Richard Davis notes in "The English Rothschilds" that the Earl of Gosford was a frequent house guest of the Rothschild family. This may explain why his American cousin, Dean Acheson, was plucked from obscurity to become secretary of State.

The cast of characters is really quite small in number. The grandson of a J.P. Morgan partner masterminds the plot against Hitler, cooperating with Schroder partner Allen Dulles from his Swiss redoubt of the OSS. Admiral Canaris, in charge of the Abwehr, Hitler's intelligence services had made contact with the British Secret Service in London as soon as he assumed that post, through Frankfurt lawyer Fabian von Schlabrendorff, a key member of the plot, aided by Count Helmut von Moltke, a member of the German Bar and also a member of the Inner Temple of London. Von Moltke's mother was Dorothy Innes, related to the Schroder banking family.

Operations of the OSS

During his first two years with the OSS, Bill Donovan accepted no salary. In 1943, he was promoted to Major General, and received pay for that grade. In 1943, OSS had a \$35 million budget, with 1651 employees, which increased tenfold the following year to 16,000. By the end of the war, there were 30,000 agents and sub-agents, many of whom were involved in looting, blackmail, and other money-making schemes. Airplanes were often commandeered for mysterious flights to haul huge sums in gold, diamonds, paintings and other treasure. From the outset, the OSS had been dealing in large sums in gold. In the spring of 1942, \$5 million in gold coins was sent to North Africa to finance secret operations. After the North African invasion, certain bankers who had been holding francs worth 100 million were suddenly worth 500 million. Large scale currency transactions were handled for the OSS by an underworld figure named Lemaigre-Dubreuil, who was shot by unknown gunmen at his Casablanca home.

The political advisor to the Supreme Allied Commander, Mediterranean was Robert D. Murphy, whose wife was a manic-depressive, and whose daughter committed suicide. He was having an affair with the Princess de Ligne, official representative of the Comtede Paris, a Bourbon and pretender to the throne of France. She deeply involved Murphy and the OSS with her principal associate, a Syrian Jew named David Zagher, who dealt in million dollar estates, gems and antiques. He had large holdings in Damascus, and he laundered millions of dollars of OSS funds through Lemaigre-Dubreuil, until that worthy's assassination in Casablanca.

The wheelings and dealings have also characterized the operations of OSS successor, the CIA often called "the Central Investment Agency", because of its many nefarious dealings. V. Lada-Mocarski, president of J. Henry Schroder, was chief of secret intelligence operations for OSS Italy 1943. The OSS secret files later turned up in the hands of Propaganda Due, P-II, a secret Masonic organization which included many prominent figures in Italy.

The go-between for P-II and the CIA was Michael Sindona, the conduit for \$65 million which the CIA pumped into Italian elections. He was connected with the Nixon law firm, and with John McCaffrey, chief of resistance forces in Europe for British intelligence during World War II, and later representative of Hambro's Bank, and also with Prince Borghese. Although Borghese had been condemned to be executed during World War II, he was rescued by James Angleton, later Vatican consultant for the CIA. Sindona, McCaffrey and Borghese were partners in an Italian bank, Universal Banking Corp. which was a front for Meyer Lansky and the Mafia. The collapse of Banco Ambrosiano cost the Vatican a billion dollars (later reduced to \$250 million), ending in the

murder of its president Roberto Calvi, found hanging from Blackfriars Bridge in London. He was declared a “suicide”, but a judge later rendered the finding he had been murdered by “persons unknown”.

Gen. Donovan also had an important family connection with the Harrimans. His wife’s cousin, Charles Rumsey, had, married W. Averill Harriman’s sister Mary. The Harrimans had been brought up on their New York estate, Arden, which had 30,000 acres, a 150 room house, and a crew of 600 working constantly to keep things in order.

Harriman’s other sister married Robert Livingston Gerry, son of Commodore Elbridge Gerry. Their son, Elbridge Gerry, is a partner of Brown Bros Harriman.

In 1939, Donovan had purchased a farm near Berryville, Chapel Hill Farm. In 1945, he sold his Georgetown house to Katharine Graham, of the *Washington Post* family. The farm was taken over by the Rumsey Trust. Donovan lived at 1 Sutton Place, New York, the address made fashionable by Bessie Marbury, the queen of the international homosexual set who, as the leading power in the Democratic Party, had made it possible for Franklin D. Roosevelt to become Governor of New York.

In 1921, developer Eliot Cross sold Marbury’s “wife”, Elsie de Wolfe, No.13 Sutton Place. The *Times* soon noted a “curious migration”, headlining that Mrs. K. Vanderbilt and Anne Morgan had bought homes in Sutton Place, “a little known two block thoroughfare”. Mrs. Vanderbilt paid \$50,000 for her home; Anne Morgan, daughter of J.P. Morgan, and member of the de Wolfe-Marbury “Hellfire” set, paid \$75,000. They then spent several hundred thousand dollars renovating these homes. The *Times* characterized the “Sutton Place curious migration” as a malicious dig at the well-known proclivities of the new settlers, who would soon make Manhattan notorious as the world headquarters of the homosexual movement.

Donovan’s surviving son had refused to enter the law firm or to have anything to do with the OSS. He had a distinguished wartime career as a Navy captain in charge of landing operations at Sicily and other invasions. At a New Years Eve celebration, 1946, his five year old daughter Sheila accidentally drank silver polish and died. His wife died after an overdose of sleeping pills.

“Intrepid’s Last Case” notes that “a political decision forced the OSS to surrender to Moscow the captured Soviet military and diplomatic code books on intelligence from the nazis.” The greatest intelligence coup in history came to naught after Roosevelt’s three Communist associates demanded that this complete set of Soviet code books be returned to Stalin.

On May 17, 1945, Donovan became special assistant to justice Robert H. Jackson, U.S. prosecutor at the Nuremberg Trials. Although the captured German leaders were accused of many things, they were never accused of having accepted money from the Bank of England, or of being financed by the Schroder Bank. Baron Kurt von Schroder had been arrested and transferred to a British detention camp. A German denazification court later fined him 1500 RM and sentenced him to three months detention. Since he had already been held for that period, he was released. The *New York Times* on Feb.29, 1948 demanded that he be tried by an Allied Military Tribunal – “von Schroder is as guilty as Hitler or Goering”.

In May 1945, William Stephenson formed the British American Canadian Corp. in New York, later changed to a Panamanian registry as the World Commerce Corp. April 2, 1947. When Germany surrendered, the London office of OSS had ten million dollars on hand, deposited in Hambro’s and Schroder’s Banks. This money could not be “returned” to the U.S. Government without stating where it had come from. As proceeds from dealings in gold and jewels, an inquiry could provoke a Congressional investigation. The principals decided to hold it in abeyance for future operations in the new corporations, whose officers were

- Stephenson, Donovan,
- Sir Charles Hambro,
- Edward R. Stettinius,
- Russell Forgan of Glore Forgan Co., nephew of James Forgan, first president of the Federal Advisory Council of the Federal Reserve Board, and successor to David Bruce as chief of OSS Europe;
- Sidney Weinberg, head of the Special OSS Mission to Moscow;

- Nelson Rockefeller;
- Col. Rex Benson Menzies of SIS and chairman of Robert Benson Co. merchant bankers;
- John J. McCloy;
- Richard Mellon;
- Sir Victor Sassoon;
- Lord Leathers;
- Sir William Rootes of Rootes Motors;
- Sir Alexander Korda;
- Olaf Hambro;
- Brig W.T. Keswick head of Jardine Mathieson Co., director of Hudson Bay Co. Hong Kong Shanghai Bank and chief of Special Operations Executive in Asia, World War II;
- Sir Harold Wernher, British industrialist;
- Ian Fleming of the Kelmsley Press;
- David Bruce;
- Joseph C. Grew, nephew of J.P. Morgan; and
- L.L. Strauss of Kuhn, Loeb & Co.

The new firm operated closely with Morgan Grenfell, Jardine Mathieson, and British and Western Trading Co.

In 1950, Donovan listed World Commerce Corp. as the only firm in which he held an interest. The president at that time was Frank T. Ryan, director John J. Ryan, both of Bache & Co; other directors were Alfred DuPont, Russell Forgan, Jocelyn Hambro, Joseph Grew and William Stephenson, who gave his address as Plaza Hotel, N.Y. with residence in Jamaica, and listed himself as chairman of the board of Caribbean Cement Co. and Bermuda Hotels Corp.

The Central Intelligence Agency (CIA)

President Truman disliked the idea of a secret service, and dissolved OSS at the end of the war. 1600 of its operatives went to the State Dept. Intelligence & Research Bureau, others went to the Defense Dept. where Robert McNamara set up the Defense Intelligence Agency in 1961. Truman set up the Office of Policy Coordination in 1948, which by National Security Council directive 10/2 merged into the CIA Jan. 4, 1951 with the Office of Special and Clandestine Services.

Although Truman had dissolved the OSS on Sept. 20, 1945, his 1948 directive appointed three men to supervise the organization of a new intelligence agency,

1. Allen W. Dulles, of the Schroder Bank;

2. William Harding Jackson, a Wall Street lawyer who married into the Lyman family, became a lawyer with Cadwalder, Wickersham and Taft, and later with Carter, Ledyard & Milburn (J.P. Morgan's attorneys). In Jan. 1944, Jackson had been named head of intelligence at American Military Headquarters in London. He was chief of intelligence for Gen. Jacob Devers, and later headed G-2 intelligence for Gen. Omar Bradley. He became a partner of J.H. Whitney Co. New York in 1947, served as deputy director of the CIA 1950-51, and later was spec. asst. to Pres. Eisenhower for national security;

the third man on Truman's team was Mathias F. Gorrea, also a Wall Street lawyer, whose mother was of the Figueroa family; his father was head of real estate and investments for the Brooklyn Diocese, and his brother was spec. asst. to the Atty Gen of the U.S. 1946, general counsel ODM 1951-52, and vice-pres. RCA.

Truman later came to be deeply suspicious of the CIA. He told Merle Miller, "Plain Speaking",

"Now, as nearly as I can make out, those fellows in the CIA don't just report on wars and the like, they go out and make their own."

Allen Dulles placed a verse from the Bible (John 8:32) in the entrance to the CIA building, "And ye shall know the truth, and the truth shall make you free." Allen W. Dulles was chief of the new agency; Frank Wisner was his deputy; it grew from 5000 to 15,000 personnel by 1955. In 1974, it had 16,500 agents and a \$750 million budget; in all, the National Security Agency had \$6 billion to spend for "intelligence".

The CIA has often been called the Central Investment Agency, not only because of the Wall Street backgrounds of Donovan, Dulles and many other principals, but because of the many commercial operations in which it has engaged (the CIA is always referred to, not by accident, by its insiders, as "the company"). A great deal of stock trading is based upon inside CIA information, buying and selling on the basis of secret intelligence gathered by the CIA all over the world.

The CIA has also spent billions to influence foreign elections, always for candidates inimical to the interests of the people of the United States, but dedicated to the program of the World Order. However, its principal influence has been through its control of foundations and universities. The American people remain blissfully unaware that their Constitutional government with its separated powers of legislative, judicial and executive departments, has been entirely superseded by the foundations, which generate basic policy for all three branches.

Monetary policy is generated by the Brookings Institution and implemented through the Federal Reserve System independent of Congress, which has constitutional power to regulate the monetary system. Social policies, originated by the Ford and Rockefeller Foundations, are enacted into law by Congress and upheld against all challenges by the Supreme Court. Foreign policy, a prerogative of the executive branch, is entirely based on foundation "studies" and recommendations. Staffs of all three departments are heavily infiltrated by foundation operatives.

The CIA functions as the coordinating agency between the foundations and the departments of government. The *Washington Post* of Dec. 8, 1984 verified this with an obituary of Don Harris, relating that he came to Washington in 1950 as an economist with the Brookings Institution, then moved to the CIA as chief of the Far East and the West Europe staffs for three years. He then joined the Defense Intelligence Agency's directorate of plans and policy, where he served until 1983.

McGeorge Bundy, in "The Dimensions of Diplomacy", 1964, noted,

"All area study programs in American universities after the war were manned, directed or stimulated by graduates of the OSS: there is a high measure of interpenetration between universities with area programs and information gathering agencies of the government of the U.S."

As head of the Ford Foundation, Bundy was in a position to know about the interpenetration.

The *Washington Post*, April 21, 1984, noted that the CIA was funneling money to many universities through Air Force intelligence grants or other "defense" operations, including Duke, Stanford, Univ. of Texas and many others. The chancellor of the University of Pittsburgh, Wesley Posvar, had received many Air Force intelligence grants as a retired Air Force intelligence colonel, funnelled through Maj. Gen. James F. Pfautz, head of Air Force intelligence. Posvar is a member of the German Marshall Fund.

The CIA has spent millions to fund newspapers, magazines, and publishers to promote the program of the World Order. Frederick A. Praeger Co. N.Y. an "emigre" publishing firm, admitted in 1967 it had published "15 or 16" books for the CIA. Many writers and journalists have been liberally subsidized by the CIA with travel expenses, a villa in France or Switzerland, and other perks, to produce propaganda for the CIA and its ulterior goals.

The *National Review* is considered the most influential CIA publication. It consistently puffs Jean Kirkpatrick, Milton Friedman, and other cognoscenti of the intelligence community and the Viennese School of Economics. The *New York Times*, Dec. 8, 1984, noted the marriage of William Buckley's son Christopher to Lucy Gregg, daughter of 31 year CIA official, Donald Phinney Gregg, who is now personal adviser on national security to Vice President Bush.

Buckley founded the *National Review* with Morrie Ryskind and George Sokolsky, funding the publication with ample funds from the Central Investment Agency and its Wall Street connections. Buckley's only known employment was his stint with the CIA under Howard Hunt at the CIA's station in Mexico City, immediately after Buckley graduated from Yale. Buckley became godfather to Hunt's children.

"En skids" NSCIDS No. 7 gave the CIA power to question Americans in the U.S. about their foreign travel and to make contracts with American universities. J. Edgar Hoover's influence gave rise to the National Security Act of 1947, which forbade the CIA to exercise any internal security functions or police powers in the U.S. (FBI territory) but Hoover lived to see the act continually flouted by the greater finances of the CIA.

On March 12, 1947, the Truman Doctrine was announced as America's new foreign policy. On June 5, 1947, the Marshall Plan was announced. Both "doctrines" had originated in foundation studies subsidized by the CIA and were to be implemented under close CIA supervision.

The "new" CIA continues its close ties with the Schroder Bank and other linchpins of international intelligence. Allen Dulles, a director of J. Henry Schroder, and lawyer for the bank as attorney with Sullivan and Cromwell, chose Schroder to handle the vast disbursements of the CIA's "discretionary fund", whose financial dealings remain cloaked in secrecy. Secretary of War Robert Patterson was a director of Schroder, as was Harold Brown, Carter's Secretary of Defense. Paul H. Nitze, our chief arms negotiator, not only was a director of Schroder, but married into the Pratt family of Standard Oil who donated their New York mansion as the headquarters of the CFR.

John McCone, later director of the CIA, was partner of Bechtel-McCone, giant war contractor financed by Schroder-Rockefeller Co. Richard Helms also a director of CIA, is a consultant with Bechtel. Although from a family of modest means, Helms was educated at the world's most exclusive prep school, Le Rosey of Switzerland, where he became a friend of the Shah of Iran. The Schroder-CIA connection was revealed in a lawsuit in which documents were filed showing a payment of \$38,902 to Edwin Moore, on orders from Richard Helms.

Gordon Richardson was chairman of Schroder from 1963 to 1973, when he was named Governor of the Bank of England, where he served for ten years. Richardson, also a director of Lloyd's Bank and Rolls Royce, maintained a New York address on Sutton Place near Donovan's residence.

The Cabot family of Boston, descended from Sebastian Cabot, who was an early member of the World Order, has maintained a close relationship with the CIA. The founder of the family, Giovanni Caboto of Genoa, became John Cabot when he moved to England in 1448 under Henry 7th. His son Sebastian accompanied him on his North American trip in 1497. Sebastian had been born in Venice in 1476; he moved to England in 1551, was granted a pension and founded the London Muscovy Company which developed overland routes across Europe to Russia.

Thomas D. Cabot, honorary chairman of Cabot Corp. was director of Office of Inter-American affairs for the State Dept. 1951, president of United Fruit, and set up Radio Swan on Swan Island for the CIA; he went on a special mission to Egypt in 1953. His brother John was in the foreign service from 1926, served as Consul Gen. Shanghai, ambassador to Pakistan, Finland and Colombia, Brazil and Poland; he was U.S. delegate to Dumbarton Oaks in 1944, and was secretary to the United Nations organization in San Francisco in 1945 under Alger Hiss.

Paul Cabot is director of J.P. Morgan Co., Ford, Continental Can, Goodrich, and M.A. Hanna Co. Lord Harold Caccia is also a director of Cabot Corp. He served on the Allied Control Commission in Italy 1943-94 as political advisor, Ambassador to Austria 1951-54, Ambassador to U.S. 1956-61; he is also on the board of Orion Bank, National Westminster Bank and Prudential Assurance. He is chmn of Standard Telephone & Cable.

An earlier member of the Cabot family, George Cabot (1752-1823) owned 40 privateers and letters of marque in 1777-78, and became the first Secretary of the Navy.

More CIA Relationships

High level CIA policy was regularly determined at secret meetings at Pratt House, CFR headquarters in N.Y., as revealed by Vic Marchetti, in "Cult of Intelligence", he describes a top level meeting at Pratt House Jan. 8, 1965 at 5 pm, chaired by C. Douglas Dillon, chmn of Dillon, Read. The main speaker was Richard Bissell, director of CIA clandestine operations. This was the third meeting at this address. William J. Barnds was secretary; his father was Episcopalian Bishop of the Dallas Division. Present were

- Frank Altschul, partner of Lazard Freres, who married into the Lehman Family. Altschul was chmn National Planning Assn, director of Ford Foundation, China Institute in America, American Institute of International Education, and vice pres. Woodrow Wilson Foundation;
- Robert Amory, dep. dir CIA 1952-62, National Security planning Board 1953-61; Meyer Bernstein;
- Col. Sidney Berry former military asst. to Secretary of Defense 1961-64, now deputy chief of personnel operations U.S. Army; Allen W. Dulles;
- George S. Franklin Jr., lawyer with Davis Polk and Wardwell, asst. to Nelson Rockefeller in 1940, intelligence Dept. State 1941-44, executive div. council on Foreign Relations 1945-71, national secretary of the Trilateral Commission 1972, member Atlantic Council, Ditchley Foundation, American Council on United Europe;
- Thomas L. Hughes, head of the Carnegie Endowment for International Peace (Alger Hiss' former post);
- Joseph Kraft, newspaper columnist *Washington Post*, *L.A. Times* etc.
- Eugene Fubini, naturalised U.S. 1945, technical adviser U.S. AF, Army and Navy on radio techniques, was with CBS 1938-42 with the Secretary of Defense since 1961, National Security Agency since 1965, chmn Defense Intelligence Agency,
- Harry Howe Ransom, Vanderbilt professor, Rockefeller Foundation, Institute of Strategic Studies London;
- Theodore Sorensen, Pres. Kennedy's assistant 1957-61, now attorney with Paul Weiss and Rifkind;
- David B. Sage, prof. Bennington, trustee Russell Sage fndtn and 20th century Fund. Bissell, the principal speaker, had been educated at Groton, Yale and London School of Economics, was economist with War Shipping Board 1942-45; Harriman committee for President 1947-48, ECA 1948-51, Ford Foundation 1952-55, dep dir. CIA 1954-64, consultant to Fortune, U.S. Steel, and Asiatic Petroleum.

CIA financial operations continually surface and are quickly forgotten. Jack Anderson noted in a column July 30, 1984 that two OSS pals in World War II, Joe Rosenbaum, a venture capitalist, and William J. Casey, present head of the CIA had been involved in a huge Mid East pipeline deal with former Secretary of the Navy William J. Middendorf, now U.S. Ambassador to the Organization of American States. Middendorf is a director of First American Bank of VA. which handles many financial dealings for the CIA. Directors of First American are

- Eugene R. Casey,
- Lt. Gen. Elwood Quesada, who married into the Pulitzer family, asst chief of air on the General Staff, now director of the munitions firm Olin Industries;
- Stuart Symington, who married into the Wadsworth family, was formerly Secretary of the Air Force and Senator from Missouri, chairman of Emerson Electric, a defense contractor;
- Lt. Gen James M. Gavin, director Guggenheim Foundation, chairman of Arthur D. Little Co., (said to be a branch of CIA operations).

In "Spooks" Jim Hagan exposes another firm with CIA ties, Quantum Corp., based at Rockefeller owned L'enfant Plaza in Washington which sold arms to both sides in the Arab-Israeli conflict; chairman was Rosser Scott Reeves III, heir to an ad fortune; his father sold Eisenhower like soap with a series of brilliant TV ads. Reeves III married into the Squibb family, was with Lazard Freres from 1962-7, and Military Armaments Corp. 1972-4. III's father was a limited partner of Oppenheimer Co.

Other members of Quantum were

- Mitch Werbell III, a CIA operative who had the rank of General, U.S. Army;
- Edmund Lynch; Stewart Mott;
- Lou Conein, A Union Corse operative known throughout Southeast Asia as Black Luigi;

- Walter Pforzheimer, former aide to Allen Dulles; he kept two apartments at Washington's most expensive address Watergate; one was filled with his documentation on intelligence activities; he was found murdered at Watergate; and
- Paul Rothermeil, liaison between CIA and FBI who was sent on a special mission to H.L. Hunt's headquarters in Dallas to destroy the Hunt Oil Co. After millions of dollars vanished, and the Hunt Oil Co. was on the verge of bankruptcy, the Hunts sued him, but were unable to prosecute because of "national security".

The sinking of the USS Liberty, a government intelligence ship, by the Israelis in the 1967 war exposed the close collaboration between the CIA and Mossad, Israeli Military Intelligence. The CIA representative at the U.S. Embassy, Tel Aviv, reported to the senior office CIA at McLean VA. June 7, 1967 that Israel had decided to sink the U.S.S. Liberty. The CIA refused to warn the doomed American sailors. With President Johnson in the White House at the time were Mathilde and Arthur Krim, Johnson's liaison with the Israeli Govt. Mathilde was a former Irgun terrorist who had served on terrorist strikes with Menachem Begin, who boasted he had introduced terrorism to the entire world.

Andrew Tull, in "The Super Spies", reveals another CIA coverup. The entire operational plan for the Soviet invasion of Czechoslovakia in July 1968 was obtained by a German operative in May; he delivered the plans to Lt. Gen. Jos. F. Carroll, dir. Defense Intelligence Agency in Berlin. Carroll outlined a plan to "leak" this intelligence, which would force the Soviet Union to abandon the operation. Ambassador to West Germany Henry Cabot Lodge was briefed on the "leak", but received direct orders from Washington to cancel it from Secretary of Defense Clark Clifford. The World Order did not wish to interfere with the planned invasion. The Soviet Union was aware of the discovery, and postponed the invasion from July to August 21. During this period, they were assured by Washington officials that the U.S. would not interfere. With this top level go-ahead, the Red army's conquest of Czechoslovakia was successfully implemented.

We have mentioned the CIA-Mossad connection of James Angleton. The State of Israel was largely created by a Hungarian Jew named Tibor Rosenbaum, who procured arms and money through his Swiss base for both the Haganah and Stern gangs of terrorists, through his control of the International Credit Bank in Switzerland. International Credit Bank was the foreign bank for Meyer Lansky's Mafia operations, and also handled Mossad's European funds for secret operations. Rosenbaum was the mastermind of Bernie Cornfield's operation. Cornfield's successor at IOS, Robert Vesco, later fled to Central America with \$224 million of IOS fund, and is now the partner of Fidel Castro in a huge drug operation which netted \$20 billion profit between 1980-84. Castro's cut, \$50 million, has been deposited in Swiss banks.

In 1965, the CIA correspondent in Africa was Michael King, partners with Dr. Joseph Ghurba in Consultants Rersearch Associates, 509 Fifth Ave. N.Y. He is now Meir Kahane, member of the Israel Knesset and head of the terrorist Jewish Defense League. Part of their CIA duties was to mobilize campus riots against the Vietnam War at Columbia and Adelphi College. King's girl friend, Donna Evans, fell or was thrown from the Queensborough Bridge in July, 1966.

Another important CIA figure was Robert Maheu, who was Liaison between the CIA and J. Edgar Hoover of the FBI. Maheu later became head of Howard Hughes "Las Vegas operations. His code name in the CIA was "Stockholder".

The Heroin Trade

In "OSS, the Secret History", R. Harris Smith states that Ho Chi Minh had made contact with OSS Col. Paul Helliwell at Kunming in World War II and was recruited as an agent. Ho's reports soon received top priority at OSS Headquarters in Washington, and were placed directly on Gen. Donovan's desk. Helliwell, who later became consul for the Thai government in Miami, and Major Austin Glass, a Socony Oil official, sent arms to Ho for his revolutionary struggle. Another early Ho supporter from OSS was Lt. Tibaut de Saint Phalle, nephew of a prominent Paris banker.

Journalist Robert Shaplen was later told that an official of Chase Manhattan Bank was parachuted into Ho's remote headquarters, where he found the guerilla leader dying of malaria and dysentery. With only a few hours to live, he was saved when an OSS medic Paul Hoagland, was flown in. He saved Ho's life by administering the new sulfa drugs and quinine. He later served at CIA headquarters until the 1970's, where he was always known as "the man who saved Ho's life". After Ho was out of danger, a special OSS contingent, the Deer Team, was sent to Ho's headquarters in Nov. 1945. The members of this team were unanimous in their denunciation of the French "imperialists", the colonial government. They boasted that it had been decided at the highest levels in Washington that the French had to go. A prominent member of this team was Capt. Nicholas Deak, a Hungarian, now president of Deak Pereira. He has controlling interests in Swiss and Austrian banks, and operates currency exchanges in the U.S. Canada and the Far East.

The French were dismayed to learn that their "American allies" were training and arming Ho's Viet Minh forces. Ho was informed that General Donovan represented large economic interests (the World Commerce Corp.) which planned to rebuild Vietnam's railroads and highways, in exchange for "economic privileges" in Indochina. In Oct. 1945, the OSS sponsored the "Vietnam Friendship Association" headed by OSS Lt. Col. Carleton H. Swift. The OSS armed Ho Chi Minh's forces with the latest weapons, and gave intensive training in infiltration and demolition to 200 selected men of General Giap's Army. It was these men who later led the attacks against American troops in the Vietnam War. The OSS sponsorship of the Viet Min and other terrorist groups around the world led Robert Welch to charge that "The OSS has thrown the weight of American supplies, arms, money and prestige behind the Communist terrorist organizations of Europe and Asia." The Deer team claimed that Ho was a great statesman whose nationalism transcended his Communist loyalties.

To supervise the developing political situation in southeast Asia, Donovan was appointed Ambassador to Thailand by Secretary of State John Foster Dulles on Aug. 12, 1953. Donovan's assistant was William J. van den Heuvel. After his return to the U.S. Donovan had a stroke in 1956. He kept to his apartment in Sutton Place and rarely went to his law office. In 1957, another stroke left his brain atrophied. He lingered for several years, finally going to Walter Reed Hospital, where he died in Feb. 1959.

The OSS trained forces of Ho Chi Minh kept up a steady onslaught against the French Colonial Government. John Foster Dulles, playing a double game, met with Georges Bidault, and urged the French to make a stand. "We will provide support," he promised. When the French forces were surrounded at Dien Bien Phu, Bidault, to explain his strategy, read Dulles' commitment to the French parliament. Dien Bien Phu collapsed after a 77 day siege, and the French government was lost. Le Figaro claimed that the State Dept., the White House and the Kremlin, had made a secret deal to partition French Indo China into U.S. and Soviet zones, as had been done in Korea. Whatever agreement may have been reached, it is a fact that the Soviet Army and Navy now have full use of the Billion dollar Da Nang airport and the vast naval facilities built in Viet Nam by Lyndon B. Johnson's financial backers, Brown & Root.

One explanation of the fall of French Indo China was a behind the scenes struggle to control the dope trade in Asia. Alfred McCoy points out that during World War II, Lucky Luciano and Meyer Lansky secretly worked for the OSS. Through their influence, the OSS became deeply involved in dope running. After the war, Lansky moved the headquarters of the dope traffic to Miami, where Paul Helliwell, OSS chief of special operations in Asia, was his front man. Helliwell also operated a CIA front in Miami called Sea Supply, Inc.; one of his agents was Howard Hunt. Helliwell later served as paymaster for CIA sponsorship of the Bay of Pigs operation. He opened secret accounts for American mobsters in Miami banks, working closely with Sandro Trafficante and Louis Chesler. Chesler handled Meyer Lansky's real estate investments.

The involvement of the Mob in dope running goes back to well before the murder of Arnold Rothstein. Although Rothstein was widely known as a gambler, this was a cover for his rise to eminence as Mr. Big of the U.S. drug trade. After he was shot in 1928, Louis Lepke, head of Murder Inc., confiscated over \$5 million worth of heroin from Rothstein's hotel room.

Former OSS Col. Paul Helliwell became head of the prestigious Miami law firm, Helliwell, Melrose and DeWolf. His partner, Mary Jane Melrose, was attorney for Resorts International, a Vesco-Lansky operation in which Nixon's friend Rebozo was said to have an interest. Helliwell opened the Castle Bank in the Bahamas to

launder drug payoffs for Thailand poppy growers. As Thai consul, his Washington correspondent was Rowe and Cork, close advisors to President Lyndon B. Johnson, and representatives of United Fruit (a Cabot-CIA connection), Libby and other large firms. Helliwell was also attorney for General Development Corp., Lansky's real estate firm which was run for him by Louis Chesler. As counsel for Miami Natl Bank, Helliwell laundered mob funds through Swiss banks. One of his associates was Wallace Groves, who served several years for mail fraud. Helliwell died one Christmas Eve, 64 years old, and had never been charged with a crime. Protected by powerful friends in the Mob and the CIA he epitomized the ties between organized crime, intelligence agencies and the national government, all overseen, of course, by the World order.

Miami Natl Bank, which is now owned by Citibank was known for many years to be controlled by Meyer Lansky. The bank financed the Outrigger Club, which became a meeting place for Santos Trafficante Jr., Philadelphia mobster and members of the Gambino family. Chase Natl Bank lost \$20 million in this operation, but chose not to make any complaint about it. Citibank was also deeply involved with City Natl Bank of Miami, whose director Max Orovitz was a longtime associate of Meyer Lansky. The president of City Natl, Donald Beazley, had previously headed Australia's Nugan Hand Bank, a CIA drug operation. Other directors of City Natl included Polly de Hirsch Meyer, Robert M. Marlin, who operated Marlin Capital Corp. and Viking General Corp.; among stockholders of American Capital are Samuel Hallock DuPont Jr., and Paul Sternberg. Sternberg is also on the board of City Natl. While Marlin controlled City Natl Bank, it picked up the mortgage on the Miami Cricket Club, which was owned by Alvin Malnik, widely reputed to be Lansky's heir apparent. Another director of City Natl was Sam Cohen, a Lansky associate who controlled Miami Natl Bank.

In 1973, a bank was established in Australia under the name of Nugan Hand. Its principals were an Australian named Frank Nugan and an American, Michael Hand, a former Green Beret and CIA operative in Asia. Bernie Houghton, an undercover agent for U.S. Intelligence, who represented Nugan Hand in Saudi Arabia, has disappeared, whereabouts unknown.

The attorney for Nugan Hand Bank was Bill Colby, director of the CIA. Directors of Nugan Hand were Walter McDonald, deputy director of the CIA, Guy Pauker, a CIA adviser, and Dale Holmgren, who represented both the CIA and Nugan Hand Bank in Taipei. The president of Nugan Hand Bank was Rear Adm Earl Buddv Yates, former chief of strategy for U.S. operations in Asia. Also on the board were Edwin F. Black, a retired general who had commanded U.S. troops in Thailand during the Vietnam War, formerly an OSS operative in World War II and asst. army chief of staff in the Pacific; he served as president of the Nugan Hand Bank branch in Hawaii; Edwin Wilson, who is now in prison for arms deals; and Don Beazley, now of Miami.

Nugan Hand Bank expanded as Australasian and Pacific Holdings Ltd., a front for Air America and other CIA "investments". General Eric Cocke Jr., a Washington public relations officer, was Nugan Hand's Washington representative. From the outset, the bank was actively engaged in the drug trade. Lernoux says the bank controlled the \$100 million "Mr. Asia" heroin syndicate which arranged a number of contract murders. Hand boasted that Nugan Hand Bank was paymaster for CIA operations anywhere in the world.

In Saudi Arabia, Nugan Hand Bank handled the huge outlays of Bechtel Corp. in its billion dollar operations. Bechtel employees were told they must bank with Nugan Hand. The Manila office of Nugan Hand was run by Lt. Gen. Leroy J. Manor, who had been Chief of Staff of U.S. forces in Asia. The CIA station chief at Bangkok, Red Jansen represented Nugan Hand in Thailand. We may recall that Gen. Donovan, founder of the OSS, had gone to Thailand in 1953 as U.S. Ambassador.

Nugan Hand's important contacts with government officials, perhaps greased with handouts from its huge drug operations, shielded it from investigation. In 1978, despite repeated complaints about Nugan Hand's international drug operations, the Australian Federal Bureau of Narcotics refused to investigate. When increasing public pressure was brought to bear on the Bureau to investigate Nugan Hand Bank, the Bureau disbanded in 1979 ! It was controlled by the Australian Secret Intelligence organization, which in turn was dominated by the CIA.

Inquiry Magazine revealed that while director of the CIA, William Colby laundered many millions of dollars of CIA funds through Nugan Hand to support political parties in Europe; the Christian Democratic Party in Italy

was a principal recipient of this largesse, but other political parties in Europe also received millions of dollars. The World Order saw to it that funds were given only to those politicians who would carry out their program. On August 15, 1984, the Washington Post revealed that the CIA had dominated the San Salvador elections by giving \$960,000 to the Christian Democratic Party, and \$437,000 to the National Council Party, to prevent D'Aubuisson, a militant anti-communist, from being elected.

Donald Beazley, a former Federal Reserve Bank examiner, was introduced by Admiral Yates at a bankers' meeting as "the finest young banker I know". Before the debacle of Nugan Hand Bank, Beazley was found to have transferred \$200,000 from Nugan Hand to his Florida bank account. He could not remember what this transaction was for. An Australian Royal Commission proved that the bank regularly transferred funds from Sydney to southeast Asia as payment for heroin shipments to the U.S. West Coast via Australia. It was a regular conduit for payments made by Santos Trafficante Jr., underworld boss and Florida based heir to the Luciano drug empire.

Although exposure seemed imminent, Frank Nugan continued blithely with his deals as a big spender. He was closing the deal for a \$2.2 million country estate for himself the day he was found shot through the head in Jan. 1980. He was in his Mercedes on a country road. By his side was the rifle he supposedly shot himself with, although in his last moments of life he apparently decided to wipe off all fingerprints. Police investigators found none on the gun. The investigators also decided that Nugan would have had to be a contortionist to shoot himself with the rifle in his car. Donald Beazley went to Florida; his other associates, CIA operatives Michael Hand and Bernie Houghton, disappeared. They have not been seen since 1980.

For many years, the principal American intelligence agent in China was Cornelius V. Starr. Born in 1892, he organized the Asia Life Insurance Co. in Shanghai in 1919. He also owned the English language newspaper in China, the *Shanghai Evening Post*, which gave him a dominant role in propaganda activities. He was chairman of the board of U.S. Life Insurance Co. and other companies, as the leading American businessman in China. He was also an OSS agent, and his financial power in China gave the OSS and later the CIA their entree into drug smuggling. After his death, his insurance companies were absorbed into the American International Group.

The American "free press", known to the cognoscenti as "the drug press" because of Luce's longstanding China connection, consistently portrays the source of the world's drugs as "The Golden Triangle", an area of Laos, Thailand and Burma. However, this is merely a staging area for the world's drug trade. *Review of the News* in 1970 indentified Red China as the world's largest producer of opium, its usual source of hard currency from non-communist nations. The refined opium reaches the "free world", that is "the cash world", through Canton and Hong Kong. It also includes heroin, which had been synthesized from opium in 1898 by the Bayer Co., and became one of their most important products.

Red China's mutterings about taking over Hong Kong when the present lease expires in 1997 allows insiders of the World Order opportunity to increase their fortunes in the volatile Hong Kong real estate market. Red China has to allow the British to operate in this trading area to assure the supply of hard currency from the drug trade. When the British took over this trading area in 1843, they maintained control of the local population through the Triads, the Assassins, as the Hong Society was known, also called the Honorable Society, and the Society of Heaven, Earth and Man. Dan E. Mayers wrote in *Fortune*, Aug.6, 1984, "British colonial rule in Hong Kong is not democracy. Britain rules by decree in all matters of importance. Hong Kong Chinese don't have democratic rights."

Opium began as a cash crop in the poppy-fields of Asia Minor, particularly in Turkey, where it is still an important crop today. In 1516, opium was the official monopoly of the Great Mogul in Kuch Behar. When opium reached China, about 1729, Emperor Yung Chen prohibited its use. In 1757, with Clive's great victory at Plassy, the East India Co. took over the opium monopoly as part of its spoils from the Indian Moguls. When the British promoted the use of East India's opium in China, as payment for raw materials needed by their Industrial Revolution (they had been paying in silver), the Emperor Tao Kwang repeatedly warned them to stop selling opium in his country. When these warnings were ignored, the Emperor burned 20,291 chests of opium in 1830, a hoard valued at 2 million pounds. This precipitated the British Opium Wars of 1839-42 and 1856-60.

Because the Communists were financed by the international bankers, the sale and use of drugs have always played an important role in the forward march of Communist hegemony. In 1928, the Chinese Red Army began planting large areas of poppies in areas of China over which they had won control. By 1935, the Yuan Headquarters ruled over vast field of poppies. In 1983, Red China had 9 million acres of poppies under cultivation. The Peiping Government has 101 narcotics factories in operation, which refine from 50% to 70% of the world's drugs.

In 1977, Edward Jay Epstein revealed the true story behind Watergate.

Nixon's Domestic Council was a group of aggressive young men trying to outmaneuver each other with new programs. Gordon Liddy, trying to break into this circle, conceived an ambitious program called operation Intercept. It was not a surveillance program, but was designed to "intercept" the flow of drugs into the U.S. Nixon in his 1968 campaign had promised to "move against the source of drugs". A special Presidential Task Force Relating to Narcotics, Marijuana and Dangerous Drugs had been formed, but had taken no action. Liddy got Egil Krogh, Nixon's Presidential Deputy for Law Enforcement, to introduce the program at a meeting of the Domestic Council. Richard Helms director of the CIA, was among those present. The plan was officially approved by Erlichman in July, 1970 as a major operation against the heroin traffic.

There still was no real program, merely a public relations ploy, but, senior staff people at CIA panicked. They feared that their vast Asia operations, funded by their drug operations, could be wiped out. Liddy, meeting with State and CIA officials, says,

"I pressed CIA on the problems of the Golden Triangle of Burma; Richard Helms replied 'Any move in that area would be impractical'."

Liddy had set up ODESSA, Organisation Der Emerlingen Schutz Staffel Angehorigen, which was ready to begin operations. The CIA resolved to counterattack by setting up the Watergate operation, hoping to neutralize Nixon's staff. James McCord and other CIA operatives worked out of Mullen Co., a CIA front across the street from CREEP Headquarters. The Watergate job was scheduled for May 26, 1972, but these "highly trained" black baggers couldn't get in; they came back on May 27 with no success, but got in on May 28 and photographed a number of documents in the Democratic offices. Then they were told to return on June 16; by this time the entire setup was ready, and they were arrested.

Future historians will refer to the Vietnam War as "the drug war" akin to the British Opium Wars of the nineteenth century. In 1964, the number of U.S. addicts had dropped to 48,000 down to 60,000 in 1950. Then 15% of all American soldiers in Vietnam returned home as addicts. The drug monopoly was back in business. Two of the leading CIA operatives in Vietnam during that war are Mitch Werbell from Powder, Ga., and Three Fingered Louie Conein, who wore a gold decoration from Union Gorse, the Sicilian Mafia, around his neck.

After the collapse of the Nugan Hand Bank and the disappearance of its principals, the CIA used the 17 international offices of a Honolulu investment firm, Bishop, Baldwin, Rewald, Dillingham and Wong as its Asian network. The firm handled some \$10 billion in CIA covert funds, laundering huge sums for the Gandhi family in India, and worked closely with Marcos' right hand man in Manila, Enrique Zobel, one of the ten wealthiest men in the world, who handled the investment fund of the Sultan of Brunei. After \$22 million disappeared, Rewald was arrested. The resulting litigation is being handled by U.S. atty John Peyton, former chief of litigation for the CIA in Washinton, from 1976-81.

CIA headquarters underwent a change after the arrival of a reputed KGB defector. Yuri Nosenko had been sent to the U.S. to assure American intelligence that Lee Oswald had no KGB connection, even though he had married the niece of a KGB major. Nosenko's story was "verified" by another defector, Fedora, another double agent who had wormed his way into J. Edgar Hoover's confidence; both the FBI and the CIA now had a resident authority on Communist espionage who had been identified as a double agent. The Nosenko caused the CIA staff to split into two camps, pro-Nosenko and anti-Nosenko. William Colby, director of the CIA, was in the pro-Nosenko camp, giving rise to rumors that he and James Angleton were double agents, and that Colby had been recruited while serving in Vietnam. Angleton was forced to resign.

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Quarrel Over William Donovan Award

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MANHATTAN (CN) – The OSS Society wants The Pilgrims Foundation enjoined from awarding a William J. Donovan award. In its federal complaint, the society says it’s trademarked the award named after “Wild Bill” Donovan, the World War II-era leader of the predecessor of the CIA. The Pilgrims planned to give their Donovan award this week to Mike McConnell, former director of the National Security Agency.

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