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## Book Review

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# Confessions of a Soviet Trust agent

by Scott Thompson

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### Hammer

by Armand Hammer with Neil Lyndon  
G.P. Putnam's Sons New York  
543 pages, clothbound, \$14.95.

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In the latest best-selling biography of Armand Hammer, the story is told of how this Soviet Trust agent was cleared for work with President Reagan by the same networks that introduced Soviet false flag agent Jonathan Pollard into the U.S. intelligence community. The clearance procedure was arranged by Israeli leader Menachem Begin through Secretary of State Alexander Haig. Haig was later fired from his post when secret arrangements were discovered that he had made with the Israelis, behind the back of the Reagan Cabinet, for the 1982 Israeli invasion of Lebanon.

The story goes that when Menachem Begin met with President Reagan, Begin suggested "that he really ought to make more use of you [Hammer], because you understand the Russians so well." President Reagan's gut response was: "But I am told that Armand Hammer is a Communist." "I was appalled," Begin later told Hammer, adding that he then told President Reagan: "Armand Hammer is not a Communist. He's a pure capitalist, through and through. Everybody knows that."

"Well," President Reagan said, "Armand Hammer's father was a Communist."

"Yes, he was," Begin said, "but that doesn't mean Armand is a Communist. I'm afraid your supporters have been seriously misinformed, Mr. President, and I urge you to check him out more thoroughly. I know you'll find that Armand is a completely loyal American. . . ."

Hammer's story continues: "Shortly thereafter the Israeli Ambassador in Washington, Ephraim Evron, wrote to Sec-

retary of State Alexander Haig, vigorously defending me and concluding, 'The Prime Minister asked me to tell you that there is no truth to these allegations, and that we consider Dr. Hammer a good and trusted friend. . . .'

"I have always believed," Hammer writes, "that by speaking and acting as he did, Menachem Begin changed Ronald Reagan's mind about me. My appointment as Chairman of the President's Cancer Panel—which required a full investigation of my record and FBI clearance—followed soon after."

This confession by Hammer clears up the mystery posed by Hammer biographer Joseph Finder, who writes that according to reliable sources, at the start of the Reagan administration, a memorandum circulated in the National Security Council to the effect that Armand Hammer was a Soviet agent. *EIR* conducted and published, in 1985, the results of a search of the very early records of the State Department headed by Alexander Haig, that ironically showed that Armand Hammer was known by State Department investigators to be closely associated with Soviet intelligence networks on whose behalf he performed valuable services. So, the mystery is finally cleared up as to how Armand Hammer gained entry into the Reagan administration, despite being a known Soviet fixer.

### The cover-up continues

Otherwise, this, the third or fourth biography of Armand Hammer, continues the pattern of cover-up which characterized each of the earlier biographies that date back to 1932. Some of the elements of cover-up reflect close reading of *EIR's* exposés of Armand Hammer. Perhaps the most glaring omission is the fact that Armand Hammer's father was more than a follower of Daniel De Leon and the Socialist Labor Party—he was a co-founder of the Communist Party U.S.A. with Jay Lovestone, Bertram Wolfe, and others. Even Ar-

mand Hammer cannot gloss over the fact that his early meeting with Lenin, where he took up the first concession during the New Economic Policy in the 1920s, was arranged by his father's friends such as Ludwig Martens and Boris Reinstein. State Department documents printed in *EIR* report that Hammer served as a courier for Martens (a.k.a. "Peter the Painter"), who briefly became head of the "Soviet Embassy" in the United States after he was chased out of England by Sir Winston Churchill. Failure to tell the true story of his father's role in Armand Hammer's original entry into Bolshevik Russia—an entry in which his father could not have had a direct hand because he was serving a jail sentence on manslaughter charges arising from an abortion he performed—is the most glaring omission in the latest Hammer biography.

Several clear examples of damage control that may have been influenced by *EIR* include:

1) Hammer's dismissal of the charge that he made his first fortune, with a drug company set up by his father, through "bootlegging" activity. Hammer counters this by saying that he may have skirted the intent of the law, but stayed within it. Hammer omits any mention of the "bootlegging" background of Louis Rosenstiel, to whom he ultimately sold his large whiskey-producing interest.

2) Hammer's dismissal of the charge *EIR* found and reprinted from secret State Department documents, that his first wife, Olga Vadina, was an agent of the OGPU intelligence service. Hammer goes to some length to argue that she was entirely too flighty to be trusted by the OGPU on any serious mission.

3) Hammer's dismissal of the charge that he was aided in his Libyan concessions by the Soviet Union's intervention with Muammar Qaddafi. Hammer agrees that the Soviets may have been interested in his negotiations with Qaddafi (the start of the OPEC price rises), but says the charge of Soviet aid is a pure fabrication of the CIA.

What Armand Hammer not merely confesses, but actually brags about, is his role as a back-channel in negotiations that have resulted in two summits between President Reagan and Mikhail Gorbachov, with a third summit pending. During the course of his attempts to keep these summits from being blocked, Hammer even admits his role in running cover for 25 Soviet espionage agents at the United Nations, whose case he suggested be "decoupled" from the Daniloff/Zakharov spy swap in order to smooth the course for the second Reagan-Gorbachov, "Reykjavik," summit.

### Hammer's summitry

The following chronology of Armand Hammer's activities leading up to two summits is compiled largely from Hammer's biography; it will figure shortly in the forthcoming publication of *EIR*'s report "Global Showdown II:"

● Dec. 4, 1984—Meeting with Konstantin Chernenko arranged through Hammer's friend, Anatolii Dobrynin. This meeting occurred at a time when there had been minimal

contact on arms-control agreements between the United States and the Soviet Union. Hammer proposes to Chernenko that the Soviets redraft their "no-first-use" proposal to cover both nuclear and conventional weapons, as the foot in the door for starting up annual summit meetings.

● Jan. 29, 1985—At the European Conference on Security and Cooperation, the Soviet Union adopts Hammer's "no-first-use" gambit, but Chernenko dies of illness before he and President Reagan can attempt to meet.

● June 11, 1985—Hammer meets with Mikhail Gorbachov. Hammer is told that Gorbachov is communicating with President Reagan for a summit. Gorbachov is certain that a condition for that summit will be for the United States to abandon the Strategic Defense Initiative. Hammer suggests both sides develop and deploy the system together.

● June 15, 1985—Armand Hammer writes a commentary for the *New York Times* which says that the time is "right and ripe" for resolving the "long impasse" between the Soviet Union and the United States. President Reagan has been "turned by events into a cooperative spirit. . . . He can have only one ambition—the noblest kind—to go down in history as a peacemaker."

● June 23, 1985—Hammer meets with Dobrynin, then with President Reagan. He briefs the President on his discussion of a summit with Mikhail Gorbachov, and he responds to critics of this policy among Reagan's advisers who are present.

● July 5, 1985—Viktor Afanasyev, editor-in-chief of *Pravda*, tells a group of American editors visiting Moscow that Hammer "had played a significant role" in bringing about the agreement to hold a summit meeting on Nov. 19-21 in Geneva.

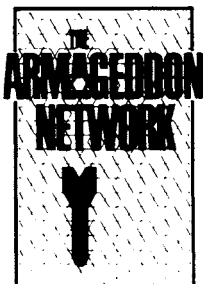
● Aug. 15, 1985—Israeli Prime Minister Shimon Peres announces: "We approached the Kremlin on the 40th anniversary of their victory over the Nazis through the American Jew, Armand Hammer, who was a friend of Vladimir Lenin." The talks dealt with the possibility of renewing Soviet-Israeli diplomatic ties.

● Sept. 22, 1985—The *New York Times* prints a commentary from Armand Hammer calling for joint development and deployment of the Strategic Defense Initiative. Hammer is told that the President considered, but rejected this proposal, as did Gorbachov at the Geneva summit.

● November 1985—An Armand Hammer-funded U.S.-Soviet Writers' Conference attended by senior KGB officials meets in Vilna, Lithuania to attempt to abort the SDI.

● Nov. 21, 1985—President Reagan and Gorbachov sign a new U.S.-Soviet cultural exchange accord which the Soviets intend to help upgrade the KGB's penetration of the U.S. Information Agency (USIA), headed by Armand Hammer's friend Charles Z. Wick.

● Dec. 7, 1985—Hammer flies to Moscow for the first meeting of the U.S.-U.S.S.R. Trade and Economic Council since the Russian invasion of Afghanistan. He concludes a



Michael Saba

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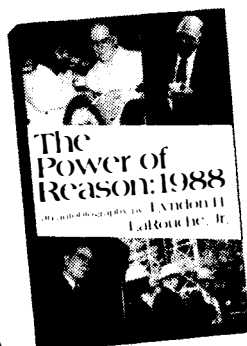
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# FED UP WITH WASHINGTON POLITICIANS?

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(but read it first)



## THE POWER OF REASON: 1988

An Autobiography by Lyndon H. LaRouche, Jr.

Published by Executive Intelligence Review  
Order from Ben Franklin Booksellers, 27 South King St., Leesburg, VA 22075. \$10 plus shipping (\$1.50 for first copy, .50 for each additional copy). Bulk rates available.

cultural agreement with the Soviet Union. The next month, Charles Wick travels to Moscow to work out the details of the U.S.-Soviet cultural accord with the same Cultural Minister Pyotr Demichev. Later, a USIA official says of Hammer's role in the matter, "He really opened doors for us."

● April 28, 1986—Armand Hammer arranges to send Dr. Robert Gale and others to treat the disaster patients at Chernobyl.

● May 15, 1986—Hammer meets a second time with Gorbachov, who lists three items that could form the basis for a summit: 1) a nuclear test ban; 2) ratification of SALT II; and, 3) a 50% reduction in nuclear armaments immediately. Hammer urged Gorbachov to arrange a meeting between his friend Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze, leading to a meeting between Reagan and himself.

● May 23, 1986—Hammer meets with Secretary of State George Shultz to relay the discussion of the summit conditions, as well as the possibility for its rescheduling "if the initiative comes from America." National Security Adviser Adm. John Poindexter turns down Shultz's request that Hammer meet with President Reagan.

● May 1986—Mary Jane Wick, wife of USIA chief Charles Wick, is given \$500,000 by Armand Hammer to restore Washington, D.C.'s Ford Theater.

● June 14, 1986—Based upon a meeting with President Reagan a week earlier, Armand Hammer meets in London with Soviet Ambassador Leonid Zamyatin to discuss rescheduling the talks between Shultz and Shevardnadze, which Moscow had indefinitely postponed.

● Sept. 3, 1986—Hammer is in Moscow where he meets with N.I. Ryzkov, chairman of the Council of Ministers of the U.S.S.R., to discuss expanding U.S.-U.S.S.R. trade, joint ventures, and other matters. V.L. Mokevich, the Minister of Internal Trade, is present at the meeting.

● Sept. 5, 1986—Hammer contacts Deputy Secretary of State John Whitehead to offer his services in the Nicholas Daniloff/Gennadi Zakharov affair, which threatens to derail the upcoming Reykjavik summit. He proposes that they go to Moscow together and get *U.S. News and World Report* journalist Daniloff released in a spy swap on reduced charges. Whitehead rejects the idea of their going together, but approves Hammer's personal diplomacy.

● Sept. 21, 1986—Hammer meets President Reagan at a reception, and is informed that everything is on hold for a summit "until this Daniloff affair is solved." Reagan also gives Hammer a green light for personal diplomacy in the matter.

● Sept. 22, 1986—Hammer meets with Soviet Ambassador Dubinin and Foreign Minister Shevardnadze. Hammer proposes that the question of 25 Soviet KGB and GRU agents be decoupled from the Daniloff/Zakharov affair "by asking Shultz to postpone his Oct. 1 deadline for their departure." The same day Hammer meets with Shimon Peres in New

York immediately prior to Peres's meeting with Shevardnadze and enlists Peres's approval for a swap.

- Sept. 23, 1986—Hammer flies to Moscow, where he meets with Dobrynin, who asks him to write a letter for Gorbachov on these proposals that wins Gorbachov's approval.

- Sept. 27, 1986—The U.S. State Department admits that Hammer had flown to Moscow a few days previously as an official State Department channel to secure the release of Daniloff.

- Sept. 30, 1986—Secretary of State George Shultz announces that Daniloff is on a plane out of Moscow, having been released without trial, while Zakharov would be released shortly thereafter when he adopted the plea of *nolo contendere* suggested by Hammer's attorney, Louis Nizer.

- Oct. 13, 1986—Armand Hammer secures the release of Russian geneticist David Goldfarb with permission from Anatolii Dobrynin. Goldfarb flies to New York on Hammer's private plane.

- Oct. 15, 1986—Armand Hammer provides funds to the Soviet Cultural Foundation, which he helped Raisa Gorbachova found earlier that summer. Raisa Gorbachova's father, the 95-year-old Maxim Titorenko, was a leading proponent of Lenin's New Economic Policy. At its inauguration, Soviet Academician and Great Russian chauvinist Dimitrii Likhachev dedicates a part of his keynote address to Dr. Armand Hammer as "an old friend of the Soviet Union" who had a "contributing role" in setting up the fund.

- Oct. 24, 1986—Hammer leads the way to Soviet joint ventures. In a speech before the American Committee on East-West Accord, Yuri D. Shcherbin, president of Amtorg, announced that 15 American companies have come to the Soviets to propose joint ventures and that Hammer's Occidental Petroleum heads the list. Hammer wants to build joint ventures in chemicals and plastics in the U.S.S.R.

- Dec. 6, 1986—Hammer meets with Shevardnadze to discuss the post-Reykjavik situation. Shevardnadze complains that there are those in the West who are consistently trying to undermine the breakthrough represented by the Reykjavik summit, while once again relaying conditions to further the process that include U.S. elimination of the Strategic Defense Initiative.

- Feb. 14-16, 1987—Hammer attends Gorbachov's "International Forum for a Non-Nuclear World and for the Survival of Mankind" in the Soviet Union. While in Moscow, Hammer donates a painting and \$100,000 to Raisa Gorbachova's Soviet Cultural Foundation after meeting with the Soviet leader's wife.

It is this chronology of activities, which places Hammer as virtual head of the Trust group seeking regular appeasement summits between the United States and U.S.S.R., which makes so important his confession in the same autobiography of how his name was cleared of being a Soviet agent so that he would have access to President Ronald Reagan.

## Books Received

**The Ties that Bind**, by Jeffrey T. Richelson and Desmond Ball. Allen & Unwin Publishing, 1985. 402 pages.

**The Killing Winds: The Menace of Biological Warfare**, by Jeanne McDermott. Arbor House Publishers.

**Murrow; His Life and Times**, by A.M. Sperber. Bantam Books, 795 pages. \$12.95 paperback.

**Making Public Policy: A Hopeful View of American Government**, by Steven Kellman. Basic Books, New York.

**Was Einstein Right**, by Clifford Will. Basic Books, New York.

**The Khrushchev Objective**, by Christopher Creighton and Noel Hynd. Doubleday & Co., New York, 333 pages. \$17.95 clothbound.

**The Ultimate Evil: An Investigation of America's Most Dangerous Satanic Cult**, by Maury Terry. Doubleday/Dolphin.

**Making News**, by Martin Mayer. Doubleday, 1987. \$18.95 clothbound.

**Secrecy and Power: The Life of J. Edgar Hoover**, by Richard Gid Powers. Free Press, New York.

**Who's Who in Space: The First 25 Years**, by Michael Cassutt. G.K. Hall, Boston.

**Up 'til Now**, by Eugene McCarthy. Harcourt Brace, Jovanovich, Inc., San Diego, Calif.

**An Unquiet Life in the 20th Century**, by Sidney Hook. Harper & Row, New York, New York.

**Mission to Tehran**, by General Robert E. Huyser. Harper & Row, New York, New York.

**The Forging of the Union 1781-1789**, by Richard B. Morris. Harper & Row, New York, New York.

**The Genius of the People**, by Charles L. Mee, Jr. Harper & Row, New York, New York.

**The Inside Story: The Rise and Fall of Bagwan Shree Rajneesh**, by Kate Strelley. Harper & Row, New York, New York, 381 pages. \$17.95 hardcover.

**Ben Gurion: The Burning Ground 1886-1948**, by Shabtal Teveth. Houghton Mifflin, Co., Boston, Mass., 967 pages. \$35 hardcover.

**The Red Eagles**, by David Downing. MacMillan Publishing Co., New York, New York.