

EPILOGUE  
***Men in Black***

We cannot blame private banks and government agencies for these crimes of grand larceny without identifying some of the spiders that wove the web of influence. That General Haig successfully redeemed a “57” in Tokyo, thanks to a personal letter from President George H.W. Bush, reveals the vital role of influence peddling at the highest levels of state. It is no longer the climax of a career to become an American president or a British prime minister. More important is whether the president or prime minister can look forward, on retirement from office, to becoming a board member of the foremost influence peddlers in Washington, such as The Carlyle Group.<sup>1</sup> As US Supreme Court Justice Felix Frankfurter wrote: “The real rulers in Washington are invisible, and exercise power from behind the scenes.”<sup>2</sup> As far back as 1922, New York Mayor John Hylan said: “The invisible government is like a giant octopus that sprawls its slimy length over ... the nation. At the head of this octopus are the Rockefeller ... interests and a small group of powerful banking houses ... who virtually run the US Government for their own selfish purposes.”<sup>3</sup> He got it right.

The corruption obvious in the Federal Reserve system, the gold cartel and big banks, has turned America into a nation most of the world no longer respects – a nation driven by greed, greased by influence-peddling, controlled by fear, and misled by lies. Since 1945, its all-consuming greed has been hidden by the veil of National Security. Despite the collapse of the “communist menace” that justified excessive secrecy during the Cold War, the corrupt Bush administration has shown how new enemies can always be found to scare Americans into submission and compliance.

The Carlyle Group is only one of many organizations whose boards are composed of former presidents, former prime ministers, and other top government officials able to arrange mergers and acquisitions, which benefit from their advance knowledge of future

government defense contract requirements. Unless you are part of this network, your prospects in life range from being cannon-fodder in Iraq, to being a serf in the pseudo-Puritan feudal society of the Neo-Cons.

In the Puritan-ethic, wealth is evidence of God's approval of you as a person. The richer you are, the more God approves of you. Once private bankers gained monopoly control of gold and the supply of money in 1913, America's Robber Barons moulted into Puritan nobility, a new aristocracy based on money in a country that had totally rejected aristocracy of any type.

Not content to be merely super-rich, the monopolists saw themselves as "The Illuminati", symbolized by the all-seeing eye at the top of the pyramid on U.S. currency. Many of the richest families in America learned to avoid drawing attention to themselves – among the Rockefellers for example, only Nelson courted publicity and involved himself personally in covert operations, becoming an intimate friend of General Lansdale and other spooks. As a consequence of this low profile, the label "The Octopus" has since been relegated to their cadre of servants, who do the dirty work in hope of someday joining the overlords.

Among the most successful of these servants were Allen and John Foster Dulles, whose father gave Sunday sermons at a church in a community of Illuminati. In due course, the Dulles brothers became powerful servants of the Harrimans, Morgans, Mellons, Warburgs and Rockefellers, from the 1920s to the ends of their lives.<sup>4</sup> The Bush family climbed similarly. Another comer was John J. McCloy, who rose from relative poverty to become a top Rockefeller man and head of the World Bank. These were some of the spiders who wove the web linking the Fed to the Black Eagle Trust, the M-Fund, Project Hammer, the CIA, a string of CIA black banks around the world, and CIA savings and loan companies inside America. James Jesus Angleton once told a journalist bitterly that the only reason he was named chief of counter-intelligence at the CIA was because he had taken an oath that he would never subject the Dulles brothers to lie-detector tests about their collusion with Nazi Party bankers in the 1930s. Men in black need to remain unseen.

As they put the black economy in place, behind the curtain of National Security, they found ways to make most gold reserves disappear into coffers only they could access – as illustrated by the numbered Swiss accounts held by White House staffers during the Iran-Contra scandal, and the way Santa Romana's gold accounts

have been blocked, or moved offshore, by banks that refuse to acknowledge the rights of his heirs.

Look closely enough, however, and the hand does not move faster than the eye. Just follow the filaments in the web. For example:

Currently, when “black gold” is recovered from Japanese treasure vaults in the Philippines it enters the world market through an agency in Australia with genetic ties to the Bank of England. First the ingots are taken to Manila where they are assayed by international gold buyers (one of whom is our source). Once satisfied with the assay, the broker buys the gold at a deep discount, then airlifts or sealifts it to Australia where it is “sanctified” by Johnson Matthey Bank (JMB), the UK gold bank that worked with President Marcos. Following a major scandal with questions in Parliament, JMB was absorbed in late 1984 by the Bank of England. Two years later, in April 1986, the JMB bullion operation was sold to the biggest Australian banking, mining, and bullion syndicate, Mase-Westpac. Our gold broker source swears that upon reaching Australia the gold is re-smelted to London standard by JMB and re-papered by JMB, and then simply joins the flow of newly-mined gold shipped from Australia to the City of London, where it enters the world market.<sup>5</sup> That at least appears to establish a direct link between gold laundering and the BoE.

Sources in Manila also insist that Sir Evelyn de Rothschild, whose family is so closely identified with the Bank of England and the US Fed, is the true majority owner of the Benguet goldmines in the Philippines. There is nothing startling about that, in and of itself, but the Benguet board has long been dominated by members of Imelda Marcos’s Romualdez family, and still is today. Imelda’s children had the use of a Rothschild mansion in London when they were attending school. As the biggest goldmine in the Philippines, Benguet always has been one of the primary channels for war-looted gold leaving Manila. During the Marcos years, a big piece of Benguet was acquired by a group of Wall Street venture capitalists who shared property ownership and a casino in the Bahamas with the Mafia’s Meyer Lansky. So there are interlocking directorships that reveal more when seen together, than when seen apart. Let’s follow the filaments further:

Lansky, in turn, was closely associated with top CIA banker Paul Helliwell, also based in the Bahamas, who created the chain of CIA black money banks throughout the world, including Castle Bank in the Bahamas, Nugan Hand Bank in Sydney and Honolulu,

and BCCI (Bank of Credit and Commerce International), now said to be reincarnated as Pinnacle.

Helliwell's ultimate boss during and after WW2, was Wall Street attorney and former OSS chief William "Wild Bill" Donovan, who also was the boss of Allen Dulles, William Colby, Bill Casey, and others who later became heads of the CIA – and an intimate friend of Meyer Lansky.

"Almost every key man in the OSS had direct connections with large international industrial and banking interests; among those listed as having been key OSS executives were Julius Spencer Morgan, and Henry Sturgis Morgan, sons of the late J.P. Morgan, who were special assistants to Donovan..."<sup>6</sup>

The front man for Helliwell was banker General Erle Cocke, a Grand Commander of the Knights of Malta, to which Donovan and many other OSS and CIA brass belonged – which was, in turn, closely linked to Vatican secret services. Knights of Malta membership is dominated by reactionary European aristocracy and Americans whose names read like a Who's Who of the Black Eagle Trust: Former OSS chief Donovan, former CIA top brass William Colby, John McCone, William Casey, George H. W. Bush, James Jesus Angleton, and Vernon Walters. Also on the roster were General Douglas MacArthur's intimates, General Charles Willoughby and General Bonner Fellers. Last but not least, former Secretary of State Alexander Haig who negotiated the "57" in Tokyo with the help of the first President Bush, described in Chapter 9.

Donovan was the chief spider – America's original man in black. It was Donovan, working behind the scenes with John J. McCloy and the Dulles brothers, who set up the global network of secret funds and black banks that made creative use of the Black Eagle Trust, and laundered drug profits before they entered U.S. banks to bolster the American economy. This was racketeering on a global scale, run by covert agents of the U.S. Government, with proceeds so huge the only way to hide them was by claiming National Security was constantly at stake.

Far more effective than two sets of accounting ledgers, National Security kept everything off the record. To protect BCCI, Nugan Hand, and other black banks, people were murdered, including Frank Nugan, journalist Danny Casolaro, and former CIA Director William Colby, "legal counsel" to the black banks, whose body was found floating in the Potomac River estuary in 1996.

Like the careers of the Dulles brothers, Donovan's life wove gold, drugs, espionage, underworld, and global politics together

using personal connections. In 1923, he was a little-known Assistant U.S. Attorney in the state of New York, who became friends with super-rich Albert Lasker, one of the heads of the General American Tank Car Company, which had the first patent for a welded petroleum railway tank car (without rivets) and dominated the shipment of Rockefeller petroleum on Harriman railways. This, plus Lasker's tight family connections with Germany, and his financial cronyism with most of the Robber Barons, allowed him to introduce Donovan to all the right people. With Lasker's encouragement, Donovan became a celebrity when he and Federal Bureau of Narcotics agent Ken Oyler cracked an major drug ring in Buffalo, and made a huge drug seizure in Canada, making America look virtuous just before the 1924 Geneva Opium Conference. These drugs were traced to the Golden Triangle, where the borders of Burma, China, Laos and Thailand meet. Lasker introduced Donovan to the Rockefellers and Harrimans. Oyler introduced Donovan to FBN chief Harry Anslinger, who got his job as drug czar because he married the niece of Coolidge Administration Treasury Secretary Andrew Mellon. Mellon was one of the Robber Barons who had set up the Federal Reserve system. Mellon's son-in-law, diplomat David K. Bruce, later helped Allen Dulles, Anslinger and Donovan organize the OSS.<sup>7</sup> It was practically a Mellon family enterprise.

Once OSS was set up, Donovan became heavily involved in opium and heroin, mingling narcotics with espionage during the war.<sup>8</sup> He learned a lot from the Brits. In China, he worked with SOE's William and John Keswick of Jardine-Matheson, Britain's biggest opium cartel in Asia, with a controlling interest in Hongkong & Shanghai Banking Corporation, and ties to the Openheimer family through the giant mining firm Rio Tinto Zinc. (HSBC was one of the main repositories of Santy's gold, and has blocked all efforts by his heirs to access it.) Together, Donovan and the Keswicks arranged deals with KMT spy-boss General Tai Li and his underworld business partner, druglord Du Yueh-sheng. So did Commander "Mary" Miles of SACO, the Sino American Cooperative Organization set up by Donovan's old friend Navy Secretary Frank Knox, as cover in China for the Office of Naval Intelligence (ONI). Their currency in covert operations was drugs, gold, and diamonds.

Donovan also set up a special office in OSS called X-2, which spied on foreign insurance companies – many of the biggest being in Nazi Germany. His partner in running X-2 was Cornelius Starr, who started out selling insurance in Shanghai in 1919 and

went on to build American International Group (AIG), into one of the largest insurance companies on earth today.<sup>9</sup> Early in the war, Donovan sent James Jesus Angleton to Rome as chief of X-2 and other OSS black operations there. Angleton paid Sicilian and Calabrian Mafiosi to smuggle OSS agents into Sicily and across to the toe of Italy.<sup>10</sup> In appreciation, Angleton and Donovan put Sicilian gangsters in positions of political leverage in Palermo and Rome, and kept them supplied with gold and guns. In America, the Mafia helped government agents keep an eye out for Nazi spies along the Atlantic and Gulf waterfronts, on the understanding that when the war ended, Mafia dons currently serving time in federal penitentiaries would be freed and “deported” back to Sicily.

In effect, Donovan and his circle of intimates wove a web linking the underworld in Asia, Europe, and America, to U.S. banks and the U.S. Government. This would pay off richly during the Cold War.

In 1946, when the OSS was shut down by Truman, to be succeeded by the CIA, Donovan pretended to resume private practice as a Wall Street attorney, but in reality spent most of his time helping Paul Helliwell set up black banks to make use of the Black Eagle Trust. To disguise these postwar operations, Donovan founded World Commerce Corporation (WCC) with financial backing from the Rockefellers, particularly Nelson Rockefeller. One of WCC’s main objectives was to buy and sell surplus U.S. weapons and munitions to foreign underworld groups, like the Chinese and Italian mafias, in return for their cooperation against communist and socialist political parties, or labor unions. Author Douglas Valentine called it a sort of private Marshall Plan, a cross between “an import-export combine and a commercially oriented espionage network”.<sup>1112</sup>

To maintain secrecy, WCC was registered in Panama. Many of its operations involved the Nationalist Chinese in Asia, and the Sicilian and Calabrian Mafia in Europe. The Nationalist Chinese provided the hard drugs, and the Sicilians moved them into the US through Meyer Lansky in Havana and Santo Trafficante in Tampa, or through Mexico to Bugsy Siegel in California.

Mixing drugs and espionage in Italy, Donovan and Angleton forged a three-way alliance with the Mafia, the postwar Christian Democratic Party, and the Vatican. New York narcotics boss Frank Coppola was recruited to be Donovan’s liaison with Sicilian godfather Salvatore Giuliano. In May 1947, paid by Donovan and provided with guns by Coppola, Giuliano’s men murdered eight people and wounded 33 in a Sicilian village that had made the

mistake of voting for Communist Party candidates. Coppola's main mission was to get Mafiosi into the Christian Democratic party, and the party's deputies into government, while eliminating rival Communist candidates, killing them if necessary. Their reign of terror was so successful that by 1948, Italian Communist Party boss Palmiro Togliatti accused the US of subverting Italy's elections, not the first or last time that was voiced.

The point here is that it was not strictly a CIA operation, it was a Donovan operation supported by the CIA, and Donovan's WCC had been set up with Rockefeller money. Where do you draw the line?

In Asia, Donovan was a registered agent of the Thai government, creating an alliance between the disgraced Nationalist regime on Taiwan and crooked Thai generals. Together, they moved opium and heroin out of the Golden Triangle, bypassing old French channels of the Union Corse, which had gone through Laos and Vietnam. To dominate the Asian drug trade, remnant Nationalist Chinese armies stranded in southwest China crossed the border into Burma where they seized control of the Golden Triangle. They were lavishly supported by Washington on the pretext that they were carrying out guerrilla operations against the Chinese Communists. These KMT forces became the main movers of drugs into the international market, aided by the CIA airline Air America, and the CIA shipping line Sea Supply, set up by Helliwell and Donovan.

Air America was dreamed up by Donovan and Old China Hands William Pawley, Whiting Willauer, and General Claire Chennault. In the 1930s, Pawley had set up the Central Aircraft Manufacturing Company (CAMCO) for Madame Chiang Kai-shek, to assemble planes for what later were called the Flying Tigers. Pawley was paid lavishly by the Chiang regime, the Soong family, and druglord Du Yueh-sheng. In 1950, Donovan and Pawley bought out Chennault and took over his beat-up airline. They persuaded the China Lobby to pay Chennault \$5-million for his airline, which was re-named Air America. Pawley then "retired" to Havana where he went into business with Meyer Lansky. Pawley spent lavishly, buying sugar plantations, an airline, and a bus company. When Fidel Castro seized control of Cuba from the Batista regime, Pawley escaped to Miami where he continued his alliance with Lansky, using a Miami bus company as his front.<sup>13</sup> Meanwhile, Pawley helped Donovan persuade Texas right-wing oil man H.L. Hunt to support the KMT regime with millions of dollars for covert operations. Valentine points out that Pawley and

Donovan were aided in all this by CIA's Allen Dulles, Admiral Charles Cooke, ambassador William Bullitt, Brooklyn publisher M. Preston Goodfellow, former SOE agent William Keswick, and Satiris Fassoulis, vice president of Commerce International China, a subsidiary of Donovan's WCC.

Donovan kept up his close ties to General Chennault and former Flying Tigers' physician Dr. Margaret Chung, said to be a key link between the KMT drug generals and Bugsy Siegel. While the China Lobby insisted that all narcotics came from Communist China, the KMT's General Tuan and General Li assured us over dinner in Chiangmai that they were the ones moving the drugs.<sup>14</sup> We observed their opium-laden mule trains, trucks, and planes, and airdrops over the Gulf of Thailand to waiting Taiwanese cargo and fishing vessels.

One of Donovan's top financial allies was Helliwell's front man General Erle Cocke, whose family had been in banking for generations. After WW2, Cocke served in the World Bank and IMF, and as head of the American Legion, but also on the board of CIA banks such as Nugan Hand. In April 2000, just two weeks before he died of pancreatic cancer, General Cocke agreed to give a legal deposition to the attorney of six plaintiffs who said they had been swindled by former intelligence agents of the South African Apartheid regime. The scam was typical of many rackets run under a part of the Black Eagle Trust called Project Hammer, in which unsuspecting investors were encouraged to put up money for projects in the Third World, which then collapsed, swallowing their money.<sup>15</sup>

In his deposition, reproduced on our CDs, General Cocke said he knew a lot about the Black Eagle Trust's Project Hammer because he had been a part of the Donovan spider web for decades. He testified that by the 1990s, he knew personally that Project Hammer had assets exceeding \$1-trillion. Cocke testified that no Project Hammer transaction could take place without the personal approval of Citibank CEO John Reed. General Cocke explained that Reed was "the cheese" (the Big Cheese, boss, or overseer) of Project Hammer. "I had no problem seeing the president of the United States, but I could never get in to see John Reed." Reed was third in a string of Citibank CEOs groomed by Donovan, each the mentor of the next, starting with George Moore who was an OSS agent during the war. Rising quickly to head Citibank after the war, he trained Walter Wriston as his replacement, who in turn trained John Reed.<sup>16</sup>



Ties between Citibank and the CIA were always close, and a number of top spooks joined the bank when they left the Agency, such as former DCI John Deutch, who left Langley under a cloud to immediately become a member of Citibank's board. John Reed, who denies knowing anything about Project Hammer, has since left Citibank under a cloud, and is now head of the U.S. Stock Exchange.

It is curious that in the 1990s – while Reed and Citibank were being sued for moving \$50-billion in Santa Romana's gold from New York to the Bahamas, and General Cocke testified that Reed was overseeing Project Hammer with assets of over \$1-trillion – that Citibank claimed to be going bankrupt. It was not the only player in the game of musical chairs by major banks, as various Rockefeller Holdings absorbed each other and their offshore holdings companies like hungry amoebas.

By this time, Spain's Santiago Vila Marques, also was serving as the attorney for Alberto Cacpal's huge gold deposits, many of them at Citibank. Before John Reed retired, Vila Marques cabled him asking for a meeting to "clarify" Cacpal's assets in Citibank, which totalled hundreds of millions of dollars. Reed never replied.<sup>17</sup> In effect, Reed was succeeded at Citibank by President Clinton's Treasury Secretary Robert Rubin, the new chairman of Citigroup, who has been equally opaque and evasive.

As documented in earlier chapters, Santy's Bengal Trading stashed most of his gold at UBS in Zurich, in the name of Pedro Palafox Laurel. These bonds, which UBS first acknowledged were redeemable in 2003, then reversed itself by claiming then were now considered false. This is odd because when Santy's daughter Diana Luatic visited UBS as an adult, the official in charge of the gold repository said in front of witnesses that he remembered first meeting her as an adolescent when he had taken her prints as part of security measures for her gold accounts. Vila Marques, as attorney for Loretta Laurel, is preparing to launch a legal battle with UBS, as soon as he has washed his hands of the US Fed.<sup>18</sup>

Seen as a giant spider web, the involvement of a great many organizations and individuals becomes apparent.

Of one thing we can be sure: Since the Federal Reserve system was established in 1913, privatising the money supply and making gold vanish, it has served "The Illuminati" and their servants in "The Octopus" far better than it has served the great majority of American citizens. Interlocking directorships and personal networks reveal an astonishing variety of racketeering between the moneymen, the spooks, the druglords, and the

underworld. National Security hides little from America's enemies. But it hides a great deal from U.S. citizens.

The fact that the US Government has been able to pull in all this gold, both Japanese and Nazi war loot and gold from a large number of endangered banks and desperate individuals, and then renege on redeeming their holdings, has enabled the US to acquire companies and properties throughout the world that represent an American financial global empire by massive fraud. One is tempted to speculate that these maneuvers were part of what put the Clinton Administration in the black. US imperial policy pretends to occupy a theological and morale highground compared to Old Europe and Old Asia, but it is a farce.

It was all summed up brilliantly by Henry Ford: "It is well enough that the people of the nation do not understand our banking and monetary system for, if they did, I believe there would be a revolution before tomorrow morning."<sup>19</sup>



## ANNOTATIONS:

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<sup>1</sup> Briody, The Iron Triangle. Among top men in The Carlyle Group are former president George H.W. Bush, former British Prime Minister John Majors, former Philippine President Fidel Ramos, former Defense Secretary Frank Carlucci, former Treasury Secretary James Baker III, former Attorney General William Barr, Defense Secretary Donald Rumsfeld (as an associate).

<sup>2</sup> Marris, Rule by Secrecy, pp. 13-14

<sup>3</sup> Marris, Rule by Secrecy, pp. 13-14

<sup>4</sup> One of the clients of Sullivan & Cromwell, the Dulles brothers' law firm, was Franco.

<sup>5</sup> In its 2002 annual report, The Manila Mining Corporation said, "In 1999, 66 percent of the company's revenues were generated by sales of gold to Johnson Matthey..."

<sup>6</sup> FBI, Memo for Mr. Nichols, from Mr. Jones, 3-28-49, available on line as William Donovan and the OSS.

<sup>7</sup> Valentine, Strength of the Wolf, p.26.

<sup>8</sup> Seagrave interviews with General Ray Peers. Detachment 101 used opium to pay agents. Ray Peers: "If opium could be useful in achieving victory, the pattern was clear. We would use opium." Valentine [p47]

<sup>9</sup> Mark Fritz, "The Secret Insurance Agent Men," Los Angeles Times, 22 September 2000.

<sup>10</sup> Valentine Strength of the Wolf, p75.

<sup>11</sup> Valentine Strength of the Wolf, p76.

<sup>12</sup> Remnants of OSS personnel in France worked for Donovan and Britain's MI-6 under cover of a company called Electronatom Corporation. FBI, bureau memo, 4 March 1954.

<sup>13</sup> Valentine, Strength of the Wolf, p76, and interviews with Pawley by Sterling Seagrave in 1960.

<sup>14</sup> See Seagrave & Seagrave, Lords of the Rim.

<sup>15</sup> One of the investors provided us with a transcript of the Cocke deposition and a copy of their lawsuit, which was awaiting trial before TK District Court in Virginia. [CK] These documents are reproduced for interested readers on the new Volume 3 of our CDROM set.

<sup>16</sup> Roberts, The Blood Bankers, p.77/.

<sup>17</sup> Vila Marques' cable is reproduced on our CDs.

<sup>18</sup> The Laurel UBS files are reproduced on our CDs.

<sup>19</sup> Ford's quote is found in Jim Marrs, Rule by Secrecy, p. 76.