

# Henry Kissinger escapes scrutiny in October Surprise scandal

by Edward Spannaus

George Bush may think he has the “October Surprise” probe under control, but before it’s over, he may be the one to be surprised.

On Sept. 24, the U.S. House of Representatives designated a special task force to investigate allegations that the 1980 Reagan-Bush campaign delayed the release of the American hostages in Iran. The Senate had previously designated its Foreign Relations Subcommittee on Near Eastern and South Asian Affairs to conduct the Senate inquiry. But knowledgeable sources around Washington are predicting that the Bush administration will prevent the long-awaited probe from ever getting off the ground.

A larger problem facing proponents of the “October Surprise” probe is that a number of the key witnesses are now being discredited. But this could prove to be a blessing for those determined to get at the real truth. Far too much attention has been devoted to the secondary issue of whether George Bush was personally in Paris in October 1980, negotiating with representatives of Ayatollah Khomeini. The entire Bush-in-Paris matter may turn out to be a straw man designed to discredit the “October Surprise” allegations.

A number of leading investigators and reporters are now taking a fresh look at the entire “October Surprise” story—starting with the 1980 and 1983 reports published by this news service. A major theme of these earlier stories was the prominent role of Henry A. Kissinger in the hostage affair. One unifying feature of all the versions of the “October Surprise” which have been circulated since 1987 is that Kissinger has disappeared off the radar screen altogether.

By “starting from scratch,” as a handful of serious investigators are now beginning to do, it may be possible that the cloud of disinformation and false leads which has confused the issue since at least 1988 can begin to be cleared away.

## Kissinger and the British

In 1983, the first coherent account of a Republican plot to delay the release of the hostages was written by this author—an *EIR* editor—and published in *New Solidarity* newspaper. The article was entitled “How Kissinger Delayed the Release of U.S. Hostages in Iran,” and added new information to an earlier report published in the Dec. 2, 1980 issue of *EIR*.

The December 1980 report, written in late November,

and called “Strange Diplomacy in Iran,” included the following passage:

“It appears that the pattern of cooperation between the Khomeini people and circles nominally in Reagan’s camp began six to eight weeks ago, at the height of President Carter’s efforts to secure an arms-for-hostages deal with Tehran.

“Carter’s failure to secure that deal, which a number of observers believe cost him the Nov. 4 election, apparently resulted from an intervention in Teheran by pro-Reagan British intelligence circles and the Kissinger faction. ‘Remember the walkout of a certain hardline faction of the Iranian clergy?’ said one source. ‘That was no accident. It was orchestrated with the Fedayeen-e Islam by the Reagan people.’ The walkout postponed the Iranian Majlis’s (Parliament) acceptance of the Carter offer until it was too late to affect the outcome of the election.”

The 1980 article pointed out that Kissinger, who had posed as a friend of the Shah, was in fact carrying forward the policy developed by the British and adopted by the Carter administration, that of promoting Islamic fundamentalism. This was part of a broader policy for destabilization of the entire Middle East, known as the “Bernard Lewis Plan.” Secondly, Kissinger was also trying to move in on the Carter administration policy of an arms-for-hostages exchange with the Khomeini regime. By these means, Kissinger intended to insinuate himself for an influential position within the incoming Reagan administration.

In 1982, Kissinger made a public confession which has a great deal of bearing on our story. In an address to his long-time British intelligence sponsors at the Chatham House headquarters of the Royal Institute for International Affairs in London, Kissinger announced that he had been a British agent-of-influence in the United States government throughout his career. Kissinger declared as follows:

“The ease and informality of the Anglo-American partnership has been a source of wonder—and no little resentment—to third countries. Our postwar diplomatic history is littered with Anglo-American ‘arrangements’ and ‘understandings,’ sometimes on crucial issues, never put into formal documents.

“The British were so matter-of-factly helpful that they became a participant in internal American deliberations to a

degree probably never before practiced between sovereign nations. In my period in office . . . I kept the British Foreign Office better informed and more closely engaged than I did the American State Department.”

Thus, to understand Kissinger’s policy, one must understand British policy. This is nowhere more true than with respect to the Middle East. We now see that there are *two* major players—Kissinger and the British—who have been altogether omitted from the currently circulating “October Surprise” scenarios.

## Our 1983 story

This writer’s 1983 story resulted from a series of discussions with Jamshid Hashemi, an Iranian businessman and arms dealer who has in later years become a principal primary source for the “October Surprise” revelations.

Jamshid’s brother Cyrus Hashemi—who died mysteriously in London in 1986—was one of the principal participants in arms-for-hostages negotiations undertaken by both the Carter administration and the Reagan-Bush team. Cyrus Hashemi first came to *EIR*’s attention in May 1980, because of his role as the Ayatollah’s banker in the U.S.: Intelligence reports reaching *EIR* as well as government intelligence agencies identified Cyrus Hashemi as the financial conduit for pro-Khomeini terrorism and militant protests inside the United States.

After a prominent anti-Khomeini Iranian, Ali Tabatabai, was assassinated near Washington, D.C. in July 1980, *EIR* and a number of other media outlets published accounts of Cyrus Hashemi’s activities. In early September, Cyrus sued *EIR* for libel, as well as the *Washington Post*, the *Boston Globe*, Cable News Network, and others. Hashemi’s lawyer was J. Stanley Pottinger, a fact whose significance only became apparent later.

It was in connection with this lawsuit that I met with Cyrus Hashemi’s brother Jamshid in 1983. Although I was focused on Cyrus’s relationship to the Carter administration, Jamshid told me, to my surprise, that his brother was in fact much closer to the Reagan-Bush administration, and specifically mentioned the “Texas crowd”—Baker and Bush. Jamshid Hashemi told me that both he and Cyrus had been intensely involved in the negotiations which led to the actual release of the hostages, and he said that he had himself spent months shuttling back and forth between the U.S., London, and Madrid. Although reluctant at that time to say very much, Jamshid Hashemi led me to believe that both Henry Kissinger and William Casey had been quite involved in whatever the Hashemi brothers were doing.

A review of *EIR*’s files, and everything else I could find published on the hostage crisis, led me to the conclusion that what Kissinger and Casey had been involved in was an effort to delay the release of the hostages. Further discussion with Jamshid confirmed that this was the operation in which the Hashemi brothers had been involved.



Reynald Rouleau

*Henry Kissinger is not yet under investigation before Congress, but he is not out of the public eye.*

When I first asked specifically about Kissinger’s role, Jamshid Hashemi said, “there are things I can’t comment on, but you know what that means.” After I had pieced together the hostage story, I asked about Kissinger a second time. Jamshid told me I was treading on “very dangerous ground” and refused to discuss it further.

Jamshid Hashemi also told me that his brother was still being protected by “one of the top five men” in the Reagan administration, but he complained that his own protection had been withdrawn. He was clearly frightened.

Under the ground rules of my discussions with Jamshid Hashemi, I could use the information but not his name. I therefore wrote and published the *New Solidarity* Kissinger article in August 1983, without attributing any of the information to Hashemi.

Since this was apparently the earliest published account of what has now become known as the “October Surprise” story, it is useful to quote parts of that article:

“To the numerous acts of treason committed by Henry A. Kissinger over the years must be added another count: that he acted to prevent the release of the U.S. hostages in Iran during 1980, both to further his own political interests and to aid the Soviets in extirpating U.S. influence in Iran.

“During the 1980 election campaign and the following period, Kissinger intervened to prevent the hostages from

being released before the elections, and then tried to insinuate himself in the middle of the hostage negotiations so that President-elect Ronald Reagan would be forced to turn to him as the crisis negotiator for Iran and the Middle East.

"In the weeks before the election, the Carter administration was desperate to make a deal with Iran, believing that if the hostages were freed before the elections, this would ensure a Carter victory. It is well-known that the Reagan campaign set up a task force to monitor the potential for such an 'October Surprise' . . . .

"It is less well known that Henry Kissinger, acting in concert with the British and the Soviets, was equally desperate to postpone the release of the hostages for as long as possible. Soviet and British policy was to drag out the crisis on the belief that every day the hostage crisis continued, anti-American fervor increased in Iran and American influence was diminished. . . .

"Kissinger's fingers were in the middle of the hostage crisis from the very beginning: He had personally helped to trigger the taking of the hostages in the first place, by putting heavy pressure on President Carter to admit the Shah to the United States for medical treatment. . . . At one point Carter was warned by his aides that Kissinger would have a field day if the Shah were to die in Mexico. . . . Carter is reported to have responded: 'To hell with Henry Kissinger! I am President of this country!'

"But finally, under heavy external pressure from Kissinger and Rockefeller, and inside pressure from Zbigniew Brzezinski and Cyrus Vance, Carter agreed in late October to admit the Shah to the United States. The embassy was stormed on Nov. 4. . . ."

### **The 'Kissinger comeback'**

The 1983 article pointed to some crucial aspects of the "October Surprise" events that have been almost completely overlooked in the past few years, in the heat of the obsessive competition to identify ever more participants in the 1980 Paris meetings. Some of Kissinger's most revealing actions were right out in the open. This is what this news service wrote, eight years ago:

"During the pre-election period, Carter and his crowd were desperately trying to negotiate a deal based on arms and spare parts shipments, which Iran desperately needed after the outbreak of war with Iraq on Sept. 22.

"The deal that was being worked out right before the elections fell through when the hardline mullahs boycotted the Majlis (Parliament) in late October. Ayatollah Behesti—known as the most pro-Soviet of the mullahs—was the key mover behind this, urging that the parliamentary debate be postponed and announcing that the hostages would not be released before the U. S. elections.

"It was reported to this news service at the time that Kissinger, allegedly representing the 'Reagan camp,' had established contacts with the mullahs starting in October,

and that the walk-out in the Majlis was coordinated by the Kissinger group and British intelligence circles working through the Fedayeen-e Islam. *Corriere della Sera* reported on Nov. 12 that British secret service was conducting negotiations between the Reagan camp and the Fedayeen-e Islam.

"On Nov. 5, the day after the elections, Kissinger announced that the hostages would not be released until after the inauguration. But by mid-November, Kissinger was predicting (accurately) that the hostages would be released before the inauguration of Reagan, and that this would wipe the slate clean between the U.S. and Iran. By this time, the press was full of talk of a 'Kissinger comeback,' and reports that Kissinger was angling for a Middle East envoy post in the coming Reagan administration."

### **Where the arms came from**

The 1983 article reported that arms started flooding into Iran soon after the elections, and identified Israel and the Soviets as the two major sources which were used to sabotage the Carter administration's attempted deal with Iran.

In 1984, another channel for military equipment was publicly identified which could have provided conclusive evidence of the Reagan-Bush "October Surprise" deal. This was the Hashemi-Pottinger channel.

In 1984, the Hashemi brothers were indicted for illegally shipping military equipment to Iran in 1980-81. Named in the indictment as an unindicted co-conspirator was J. Stanley Pottinger, the very same lawyer who had filed suit against *EIR* and others on behalf of Cyrus Hashemi in September 1980. According to the indictment, Pottinger began advising the Hashemis how to circumvent the U.S. arms embargo on Oct. 21, 1980. News reports at the time said that the FBI had wiretapped Hashemi's New York offices and recorded the Pottinger-Hashemi meetings. The tapes were subsequently "lost" by the FBI, and Pottinger escaped indictment.

Like all of Cyrus Hashemi's lawyers, Pottinger is a Republican. In fact, he is a rather interesting type of Republican. An Evans and Novak syndicated columnist at the end of 1980 reported that Pottinger, a former Assistant Attorney General in the Nixon-Ford administrations, "has been given the top rating for a sub-cabinet position in the Reagan administration." Evans and Novak thought this a bit peculiar, since Pottinger had backed the John Anderson campaign instead of Reagan-Bush.

Perhaps not so strange. The general counsel for the Anderson campaign was Mitchell Rogovin, a good friend of Bush who served as general counsel to the CIA in 1976 when Bush was CIA director. Rogovin himself was up to his ears in the "October Surprise" affair, as the lawyer for Iranian arms dealer Houshang Lavi, who has been identified as a key conduit for negotiations between the Reagan camp and Iran. Lavi also worked closely with Cyrus Hashemi.

According to various accounts, Lavi met with Carter State Department aide Hal Saunders in early October 1980

along with his lawyer Rogovin and another official of the Anderson campaign. Lavi has said that he initiated contact with the Reagan-Bush camp through James Baker III, and that he subsequently met with Reagan-Bush aides Richard Allen, Laurence Silberman, and Robert McFarlane to propose a deal between Khomeini and the Republicans. On the same day that Pottinger began advising Cyrus Hashemi on how to ship military supplies to Iran, Rogovin told Hal Saunders that the Iranians were no longer interested in dealing with the Carter administration.

Abol Hassan Bani-Sadr, the former President of revolutionary Iran, reported that Lavi was no longer working for him at this time, but rather for the radical fundamentalist leaders Ali Akbar Hashemi Rafsanjani and Beheshti. This was the faction, Bani-Sadr reported, who concluded the real arms-for-hostages deal with the Reagan-Bush team, bypassing his own ongoing negotiations with the Carter administration.

The Pottinger tapes—which could undoubtedly shed enormous light on the “October Surprise” affair—have never surfaced. Cyrus Hashemi’s lawyer says he has some transcripts, but that he has been threatened with prosecution by the CIA if he makes them public. *EIR* reporters have an ongoing Freedom of Information Act case in federal court in Washington, D.C. to attempt to obtain the tapes and other records, but to date the FBI has stonewalled on any disclosure.

### **False trails and confetti**

*EIR* had the essential elements of the “October Surprise” story in 1983 and 1984. Since 1987-88, an overwhelming amount of new detail on the “October Surprise” story has been put into circulation by dozens of investigators and new sources. For a while, it seemed that every day more participants were being added to the famous Paris meetings, so that it looked like it would have taken a Madison Square Garden to hold the crowd. It’s enough to drive one crazy. But maybe that’s the point.

The bulk of the attention and effort was directed at proving or disproving that George Bush was personally in Paris during October 1980. Otherwise, the central plotter was identified as William Casey, an appropriate but conveniently dead target, which led to no end of speculation in the press.

Recently, serious questions have been raised about two of the primary sources for the Bush story, Ari Ben-Menashe and Richard Brenneke. Both men came forward in 1988 with a significant amount of new, provably accurate information, which lent credibility to their accounts that Bush was in Paris. But Israeli agent Ben-Menashe’s account has been questioned for many reasons, not the least of which is that he totally flunked a lie-detector test given him by ABC News. Former CIA agent Victor Marchetti has been quoted as saying that Ben-Menashe “is a liar. He’s still working for the Israelis and is putting out bullshit.”

Brenneke’s credibility has been devastated by revelations in an article by Frank Snepp in the *Village Voice* showing that Brenneke was in the U.S. on many of the dates when he claimed to be in Paris with Bush. Snepp’s account is based on Brenneke’s own signed credit card receipts which show him dining out and otherwise spending money in Portland, Oregon on the relevant dates. Brenneke has not denied Snepp’s account.

While some attribute the disinformation campaign to an effort to protect the Israelis, its origins are probably much

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closer to home. It is George Bush himself and the CIA which are the primary beneficiaries of the maze of false leads and confetti which are intended to discredit any attempt to put George in the picture. Not to mention Kissinger, whose name never even comes up in the post-1988 accounts.

Clearly, if the “October Surprise” investigation is going to go anywhere, it is time for a fresh look. The place to begin, as this news service has emphasized all along, is to examine policy decisions and events which are largely already known and recorded in the public domain. Go from policy to the implementation, don’t try to reconstruct a policy from the details. From this approach, there is no doubt that a deal was made between the Reagan-Bush team and the radical fundamentalists running Iran at the time. No such deal could have been made, involving the Reagan-Bush campaign, the CIA, and the Israelis, without George Bush and Henry Kissinger being right in the middle of it.

William Casey’s well-known penchant for cloak-and-dagger games may make interesting reading, but Henry Kissinger’s policy interventions are a far more fruitful line of inquiry.

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