

# David Atlee Phillips, Clay Shaw & Freeport Sulphur

by Lisa Pease

*"If the CIA has taken over one large corporation, ... then how many others, perhaps smaller and less likely to be noticed, might it already have taken over? At this moment just how many American corporations are being used at home and abroad to carry out the CIA's nefarious schemes?"*

— Writer and editor Kirkpatrick Sale, referring to the Hughes Corporation, in a presentation for the Conference on the CIA and World Peace held at Yale University on April 5, 1975, published in *Uncovering the CIA*, Howard Frazier, ed. (NY: The Free Press, 1978)

During my recent interview of MR. JAMES J. PLAINE of Houston, Texas, MR. PLAINE informed me that he had been contacted by a MR. WHITE of Freeport Sulphur in regards to a possible assassination plan for Fidel Castro.

- New Orleans District Attorney (NODA) Memo from Andrew Sciambra to Jim Garrison, dated 10/9/68

A memo in the GUY BANISTER file indicates that there is information which reports that DICK WHITE, a high official of Freeport Sulphur, and CLAY SHAW were flown to Cuba probably taking off from the Harvey Canal area in a Freeport Sulphur plane piloted by DAVE FERRIE. The purpose of this trip was to set up import of Cuba's nickel ore to a Canadian front corporation which would in turn ship to the Braithwaite nickel plant. The plant was built by the U.S. Government at a cost of about one million dollars.

New Orleans District Attorney (NODA) Memo from Sciambra to Garrison, dated 10/9/68

One man whose name we first thought to be WHITE apparently is WIGHT, Vice President of Freeport Sulphur who reputedly made the flight. Currently an effort is being made to locate WIGHT, who lives in New York. Despite the fact that the original source of this information was JULES RICO KIMBLE, a man with a record, this lead keeps growing stronger. From the very outset it had been reported that the flight had something to do with the import of nickel following the loss of the original import supply from Cuba. Recent information developed on WIGHT in a separate memo indicated that he is now on the Board of Directors of the Freeport Nickel Company, a subsidiary of Freeport Sulphur.

- NODA Clay Shaw Lead File note, no date

[Ken] Elliot then changed the subject and stated that he has a lot of information that he could give to the D.A. but that unless he was assured that he would not be publicly brought into the investigation or be served, he would not come forward. He stated as an example that SHAW and two other persons either purchased or attempted to purchase a nickel ore plant in Braithwaite, Louisiana, after the company was closed because of broken trade relations with Cuba. At this time DAVID FERRIE flew SHAW and his two partners to Canada in an attempt to receive the ore from Cuba but through Canada.

- NODA Memo from Sal Scalla to Garrison, 6/27/67

Cogswell says the Bishop sketch resembles the former president of a Moa Bay subsidiary, Freeport Sulphur of New Orleans. Cogswell doesn't remember the name of that officer, but says he knew he had very powerful connections and came from Texas.

- HSCA Outside Contact Report dated 7/6/78, Gaeton Fonzi's interview of James J. Cogswell III.

Mr. Phillips stated that he "probably" did have some contacts with someone or some persons associated with the Moa Bay Mining Company, but he did not recall any specific names. He also "must have" had some contact with Freeport Sulphur people. "I was fairly socially active at the time and the name of the company is familiar to me."

- HSCA notes from an HSCA interview with David Atlee Phillips, dated 8/24/78.

**T**he quotes at left should raise some serious eyebrows. Could an American-based multinational corporation such as Freeport Sulphur, now Freeport McMoRan, have been involved, however peripherally, in anti-Castro activities in the sixties? Could Freeport have provided cover to employees of the Central Intelligence Agency, employees such as David Atlee Phillips? Could we have imagined there would be a company connecting both Phillips and Clay Shaw, the man Jim Garrison charged with being part of the conspiracy to assassinate President Kennedy?

The House Select Committee on Assassinations (HSCA) in the late '70s pursued this strange lead. It seemed more than mere coincidence that both Clay Shaw's name and that of Phillips' purported alias, Maurice Bishop, would show up in conjunction with a little publicized company known then as Freeport Sulphur. Interestingly, in the last few months, Freeport has been making headlines in the *Los Angeles Times*, *Texas Observer*, *The Progressive* and the *Austin Chronicle* due to allegations of human rights abuses and environmental degradation.

The HSCA suppressed the files surrounding the investigation of David Phillips's alleged connection to Freeport Sulphur's Cuban subsidiary, the Moa Bay Mining Company. The document quoted at left, referencing David Phillips and Freeport Sulphur, has been quietly circulating through the research community, although it had been technically unreleased. The secrecy surrounding David Atlee Phillips and every document, interview, tape and reference to him must end. He is a key suspect, having been fingered by several as the Maurice Bishop that Antonio Veciana saw talking to Oswald in Texas. As the reader will see, the connections here are too compelling to go unexplored. The Assassination Records Review Board (ARRB) must make every effort to secure the remaining pieces of the investigation of the Freeport Sulphur-David Phillips connection, as well as all documents and testimony relating to the identity and role of Maurice Bishop/David Atlee Phillips in the events surrounding the Kennedy assassination.

Bill Davy, in his well-documented monograph *Through the Looking Glass: The Mysterious World of Clay Shaw*, put forth the first public information on

Freeport Sulphur's peripheral relation to a key figure in the investigation of the assassination of President Kennedy. Here, we flesh out the information surrounding this company, as it hosts a startling set of heavy hitters whose policies crossed swords with those of President John F. Kennedy in significant ways.

*Probe* is not going to state that Freeport Sulphur was in any way involved in the planning or execution of the Kennedy assassination. But this is a company that connects the CIA, the Rockefellers, Clay Shaw and David Phillips. The company had serious clashes with Castro over an expensive project, and with the Kennedy administration over matters of great monetary significance to Freeport. Allegations of a Canadian connection with New Orleans, and Cuban nickel mining and processing operations fit neatly into Shaw's reported activities. And this is a company which had at least one director reportedly talking about killing Castro.

Because this is such an important story, and there is so much to it, this article has been broken into two parts, the second of which will be in the next issue of *Probe*. There is no quick way to tell this story, as the history and players all need backgrounds to put the nature of the implications in the fullest possible context. So we go back to the beginning.

### **Freeport Sulphur's Early Years with John Hay Whitney**

Freeport Sulphur was born in Texas in 1912. The company later moved the headquarters office to New York. Originally, the principal business was mining sulphur. By 1962, Freeport Sulphur was the nation's oldest and largest producer of sulphur. In 1962, the fertilizer industry used 40% of the sulphur produced in the world. Other business segments that use sulphur in the production process are chemical, papermaking, pigment, pharmaceutical, mining, oil-refining and fiber manufacturing industries. For most of this period, Freeport was headed by John Hay Whitney.

In 1927, Payne Whitney, one of America's richest multimillionaires, died, leaving his only son and future Freeport president an estate valued at over \$179 million. At the young age of 22, John Hay Whitney became one of the country's richest men. Nonetheless, "Jock," as the press later called him, took

a job at Lee Higginson and Co. on a salary of \$65 a month. There, he made a fateful friendship with another onetime Lee Higginson employee named Langbourne Williams. Langbourne's father had originally founded Freeport Texas, then lost control of the business. Langbourne enlisted Jock's boss at Lee Higginson—J. T. Claiborne—to help in a proxy fight for control of Freeport. Claiborne urged the young Jock to join their efforts. Jock did—to the tune of a half a million dollars. By 1930, the Claiborne-Williams-Whitney team had won control of Freeport.

Without Jock Whitney's influence—and of course, money—the future of Freeport may have been gravely different. The Whitney family fortune was legendary not just for its size, but for the power that the Whitneys wielded with it. Republican Whitney money, for example, founded *The New Republic*. Carroll Quigley, in *Tragedy and Hope*, has written:

The best example of this alliance of Wall Street and Left-wing publication was *The New Republic*, a magazine founded by Willard Straight, using Payne Whitney money. . . . The original purpose for establishing the paper was to provide an outlet for the progressive Left and to guide it quietly in an Anglophile direction. . . . The first editor of *The New Republic*, the well-known "liberal" Herbert Croly, was aware of the situation. . . . Croly's biography of Straight, published in 1914, makes perfectly clear that Straight was in no sense a liberal or a progressive, but was, indeed, a typical international banker and that *The New Republic* was simply a medium for advancing certain designs of such international bankers, notably to blunt the isolationism and anti-British sentiments so prevalent among many American progressives, while providing them with a vehicle for expression of their progressive view in literature, art, music, social reform, and even domestic politics. . . . The chief achievement of *The New Republic*, however, in 1914-1918 and again in 1938-1948, was for interventionism in Europe and support of Great Britain.

Put another way, the Whitney family was accustomed to covert uses of corporate institutions, and especially the media.

The Whitneys had also been powerful within the government. Whitney's grandfather, for example, had served under President Grover Cleveland as Secretary of the Navy. Jock Whitney himself followed the path of his predecessors, joining with Nelson Rockefeller in 1942 to take charge of American WWII propaganda in Latin America through the

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Rockefeller-controlled Office of the Coordinator of Inter-American Affairs (CIAA). Due to the confluence of interests and the similarity in substance, at one time, there was talk of merging the Rockefeller-Whitney CIAA operation with the OSS (Office of Special Services). Nelson Rockefeller, however, did not wish to relinquish his fiefdom, and the merger never happened.

(The history of Nelson Rockefeller's Latin American operations are well detailed in the book *Thy Will Be Done*, by Gerard Colby and Charlotte Dennett.)

Whitney himself had significant ties to the OSS and the CIA.

During World War II, Whitney had been temporarily detailed to "Wild Bill" Donovan of the OSS. During this time, he was captured by the Nazis, but escaped in a daring jump from a moving train.

Whitney was second cousin to the famous CIA officer Tracy Barnes, known in the agency as Allen Dulles's "Golden Boy." Barnes eventually headed the CIA's Domestic Operations Division long before it was legal for the CIA to operate domestically. Whitney and Barnes became friends while both were attending the Army Air Corps' intelligence school in Harrisburg, Pennsylvania.

Another lifelong Whitney friend and business associate was William H. Jackson, who briefly served as second in command at the newly formed CIA as Deputy Director under Walter Bedell Smith.

Perhaps it was these associations, or perhaps it was his relationship with the CIA-involved Nelson Rockefeller which persuaded Whitney to collaborate with the Agency on several occasions. For example, the Whitney Trust was financed in part with money from the Granary Fund. The Granary Fund was a CIA conduit.

Another of Whitney's many companies, the Delaware corporation Kern House Enterprises, housed the CIA front

company Forum World Features, a foreign news service used to disperse CIA propaganda around the world. Forum writer Russell Warner stated that Forum World Features was "the principal CIA media effort in the world." As for Kern Enterprises, in *The Cult of Intelligence*, by John Marks and Victor Marchetti, chapter five begins with a comment about Delaware corporations.

"Oh, you mean the Delaware corporations," said Robert Amory, Jr., a former Deputy Director of the CIA. "Well, if the agency wants to do something in Angola, it needs the Delaware corporations."

*"Oh, you mean the Delaware corporations," said Robert Amory, Jr., a former Deputy Director of the CIA. "Well, if the agency wants to do something in Angola, it needs the Delaware corporations."*

By "Delaware corporations" Amory was referring to what are more commonly known in the agency as "proprietary corporations" or, simply, "proprietaries." These are ostensibly private institutions and businesses which are in fact financed and controlled by the CIA. From behind their commercial and sometimes non-profit covers, the

agency is able to carry out a multitude of clandestine activities—usually covert-action operations. Many of the firms are legally incorporated in Delaware because of that state's lenient regulation of corporations, but the CIA has not hesitated to use other states when it found them convenient.

The present incarnation of Freeport Sulphur, Freeport McMoRan, is incorporated in Delaware.

In keeping with the Whitneys' long-standing British proclivities, Forum World Features was run with the "knowledge and full cooperation of British Intelligence." Whitney's friendliness with the British ultimately led to his appointment as Ambassador to Great Britain in 1957. At that time Whitney also controlled, as publisher and later as Editor-in-Chief, the *New York Herald Tribune*. Whitney worked media deals with Katherine Graham of the *Washington Post*, and Graham held a 45% share of the *New York Herald Tribune's* stock, with an option for 5% more upon Whitney's death.

### John Hay Whitney and Freeport Sulphur

Whitney's solid Eastern Establishment credentials, as well as his cooperation with the CIA, make his long tenure at Freeport Sulphur—both as Director and eventually Chairman of the company—

rather interesting. It was Whitney who pushed for diversification of Freeport Sulphur into other concerns. The first diversification move Whitney put through was the purchase of the Cuban-American Manganese Corporation and its manganese reserves in Cuba. Manganese oxide production there ran from 1932-1946, at which point the reserves had been exhausted by the war effort. In late 1943, Freeport opened its Nicaro Nickel Company subsidiary in Nicaro, Cuba. Through its Cuban-American Nickel Company subsidiary, Freeport also developed another subsidiary: Moa Bay Mining Company.

By the early '60s, Freeport had divisions and subsidiaries that were diverse and profitable. Freeport Oil Company, a division of Freeport Sulphur, racked up \$1,122,000 in 1961, over and above its \$772,000 earnings the year before. Freeport International, Inc., a wholly-owned subsidiary of Freeport Sulphur, set out to explore and develop new industrial ventures overseas in Europe, Australia, India and elsewhere. With one other company, Freeport Sulphur shared equally in a 95 per cent share in the National Potash Company, whose earnings in 1961 were triple that of the previous year.

A company with the diverse assets of Freeport Sulphur, with the ability to provide cover to agents worldwide, would naturally be of intense interest to the CIA. Not surprisingly, there have been allegations of CIA involvement with the Moa Bay Mining Company, Freeport's Cuban nickel mining subsidiary.

### Nickel Mining in Cuba, Processing in New Orleans

According to Cuban lawyer Mario Lazo, whose firm represented Freeport Sulphur in Cuba, the Nicaro project was conceived just two months after Pearl Harbor. The strange Cuban nickel-cobalt ore required a special extraction process. Freeport had developed a new chemical process—and Washington approved the financing—to aid the development of nickel (used in the manufacturing of steel) for the war effort. The Nicaro nickel plant cost American taxpayers \$100,000,000. At one point, the plant produced nearly 10% of all the nickel in the free world.

New Orleans became home to a special plant Freeport set up just outside the city to process the nickel-cobalt ore. When the Moa Bay Mining project was conceived,



## Whitney, the Ambassador, and Batista's Tax Break for Freeport Sulphur

In the September 12, 1960 issue of *The New Republic*, Professor Samuel Shapiro wrote an article about Cuba, Castro, and American business involvement. Shapiro wrote that the former U.S. Ambassador to Cuba, Earl E. T. Smith, owing his appointment largely to the support of John Hay Whitney (by that time former Chairman of Freeport but still a large stockholder), negotiated a substantial tax reduction for the Moa Bay Mining Company with Cuban President Fulgencio Batista. Smith wrote a belligerent letter back, published in the October 3, 1960 issue, stating:

This is a clear and grave charge that I employed my official position and influence as US Ambassador to Cuba for the private profit of the Moa Bay Mining Company. This is utterly untrue.

Smith then went on to cite a State Department release from 1959 that had stated that:

"...neither the State Department nor the American Embassy ever intervened during the negotiations of the new industry concessions granted by the Cuban Government to Moa Bay Mining Company in August 1957. Negotiations were completed in July 1957, before Ambassador Smith's arrival in Cuba, and the subsequent decree granting the concessions was published in August, 1957."

One of Freeport's vice presidents, John C. Carrington, added:

This tax treatment... came under a principle of law predating Batista and honored by Castro... Ambassador Smith had nothing whatever to do with the matter and in fact did not even come to Cuba until July 1957.

In his rebuttal also published in the October 3, 1960 issue, Shapiro responded:

Sirs:

Neither the Batista Government nor Moa Bay officials ever made public the details of the special tax treatment granted the company. In view of the extremely cordial relations that existed between Ambassadors Gardner and Smith and the dictatorship, documented at great length in such books as Jules Dubois' *Fidel Castro*, it is most difficult to believe that the subject was never brought up. As Mr. Carrington himself indicates, the tax reduction was held up for over a year, and though approved "in substance" in July, 1957, the month of Ambassador Smith's arrival in Havana, did not actually go into effect until some time later; furthermore, the tax cut could have been withdrawn at any time. The specific charge that Ambassador Smith used his influence on behalf of Moa Bay was made in a special number of *Bohemia*, something of a Cuban equivalent of *Life*, in January, 1959. Ambassador Smith resigned on January 10 after seeing an advance copy but before the issue went on sale. The statement Ambassador Smith and Mr. Carrington quote was thus made after Ambassador Smith's departure from Cuba.

In my article I did not intend to single out the Freeport Sulphur Company as particularly reprehensible in its dealings with the dictatorship. Every businessman in Cuba had to get along by the use of influence and bribes. If Moa Bay really got its tax reduction without political or diplomatic pressure, and without the distribution of money in the right places (and Carrington does not say that it did), this was an example of generosity almost without parallel in the history of Cuba.

In his response to Shapiro's parenthetical comment, published a month later, Carrington wrote:

... I now state, for Mr. Shapiro's future reference, that Moa Bay obtained its new industry tax exemption without the distribution of money, and I repeat that it did so without political or diplomatic pressure... In sum,

there is no ground for Mr. Shapiro's accusation-by-innuendo against our company... and I request that a proper retraction be made.

Shapiro had the last word in his final response to Carrington:

I am happy to accept Mr. Carrington's assurance, but as both he and Ambassador Smith have denied that the Ambassador used political or diplomatic pressure to secure the grant of new-industry tax status to the Moa Bay operation, it may be pertinent to quote the notice that appeared in *The New York Times* on August 17, 1957:

"Work on a project for mining and refining nickel and cobalt at Moa Bay in Oriente Province will start immediately, the Presidential Palace said today. The announcement was made following talks by Earl E. T. Smith, United States Ambassador, L.M. Williams, President of Freeport Sulphur Company and other officials of the enterprise with President Fulgencio Batista.

"About \$75,000,000 will be invested in the Moa Bay project, officials said. The way was cleared for the start of construction when President Batista granted the project a classification as a new industry with tax exemption. Production is scheduled to begin within two years." [...]

I believe it should be said that Mr. Smith showed poor judgement in interceding with the dictator on behalf of an American company seeking a tax concession. But then, Mr. Smith was a political appointee with no previous diplomatic experience. He had contributed \$3,800 to the Republican campaign chest in 1956...

In 1956, John Hay Whitney, Freeport's then Chairman and significant investor as well as Ambassador Smith's promoter, was Chairman of the United Republican Finance Committee. ♠

Freeport Nickel, a wholly owned Freeport Sulphur subsidiary, put up \$19,000,000 of \$119,000,000 to develop the Cuban nickel ore. The rest of the money came from a group of American steel companies and major automobile makers. (Freeport's pattern of putting in a small portion of total cost is a recurrent one.) \$44,000,000 of the original funds went into Louisiana for the development of the

New Orleans nickel processing facility at Port Nickel.

### Batista, Castro and the Moa Bay Mining Company

In 1957, two things happened that allowed Freeport to develop nickel not just through the government-owned Nicaro nickel plant, but for itself. The first was a break on taxes, won

through negotiations with Batista, for the proposed Moa Bay Mining Company. The second was a government contract in 1957 in which the U.S. Government committed itself to buying up to \$248,000,000 worth of nickel. Both of these would lead to public criticism of Freeport in the years to come. The tax break led to charges that the

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U.S. Ambassador to Cuba and Langbourne Williams of Freeport Sulphur made a special deal with Batista. (See the box on page 19.) The contract would eventually lead Freeport into a Senate investigation and a confrontation with President Kennedy over the issue of stockpiling.

### Phillips, Veciana, Moa Bay Mining Company and Cuba

During the Church committee hearings, Senator Richard Schweiker's independent investigator Gaeton Fonzi stumbled onto a vital lead in the Kennedy assassination. An anti-Castro Cuban exile leader named Antonio Veciana was bitter about what he felt had been a government setup leading to his recent imprisonment, and he wanted to talk. Fonzi asked him about his activities, and without any prompting from Fonzi, Veciana volunteered the fact that his CIA handler, known to him only as "Maurice Bishop," had been with Lee Harvey Oswald in Dallas not long before the assassination of Kennedy. Veciana gave a description of Bishop to a police artist, who drew a sketch. One notable characteristic Veciana mentioned were the dark patches on the skin under the eyes. When Senator Schweiker first saw the picture, he thought it strongly resembled the CIA's former Chief of the Western Hemisphere Division—one of the highest positions in the Agency—and the head of the Association of Former Intelligence Officers (AFIO): David Atlee Phillips.

In an HSCA interview of David Phillips, an unnoted committee member wrote—in a document circulated throughout the research community—the following:

When asked about his relationship [sic] with Julio Lobo, he became a bit upset and said he thought he had covered that adequately in his deposition. He says as far as he can recall he met Lobo only one time, perhaps it was even in Madrid and not Havana, he doesn't recall, and he had no substantial dealings with him.

Julio Lobo was a Cuban banker and sugar king who later lived in Spain. He was also Veciana's employer at the time Veciana first met Bishop. He gave funding to the DRE, set up by a man named Ross Crozier for the CIA as part of the operations against Cuba. Crozier says he did

not, however, set up the New Orleans branch and that that was run by Carlos Bringuiet. Crozier, referred to as "Cross" by the HSCA, was one of the people who identified David Atlee Phillips as Maurice Bishop. With this established, Phillip's next recorded comment immediately after being asked about Lobo is significant:

He [Phillips] wanted to know if Veciana's story about Bishop is still being considered and if any decision about his being Bishop had been [sic] conclusively arrived at. He said he doesn't like living under the fear and tension of possibly being called before the television cameras and having Veciana suddenly stand up and point his finger at him and say that he is Bishop and that he saw him with Oswald.

Why would Phillips be so worried if there was no chance he was Bishop?

Veciana, in his earliest interviews, spoke of receiving his intelligence training in an office building in which a mining company's name was displayed and which also housed a branch of the Berlitz School of Languages. Could that mining company have been Nicaro Nickel, or Moa Bay Mining Company? And in one of those curious coincidences that infest the Kennedy assassination, Steve Dorrill, a writer for the British magazine *Lobster*, noted that in Madrid, a recent director of the Berlitz School of Languages was CIA officer Alberto Cesar Augusto Rodriguez, who was also the man responsible for the photographic surveillance of the Cuban Embassy at the time of the "Oswald" visit there. Recall that the CIA sent the Warren Commission pictures of a man who could never be mistaken for Oswald as evidence that Oswald had been to the Cuban embassy.

*Probe* recently interviewed a former CIA pilot who knew Veciana from the Miami area and reported that Veciana was a guy whose word among the exile community was "as good as gold." Fonzi felt that Veciana—by that time well out of prison and eager to get back into anti-Castro action—might lie out of loyalty to his greatest benefactor, "Maurice Bishop." Veciana gave indications that Phillips was Bishop, but refused to identify him as such. (For yet another identification of David Atlee Phillips as Maurice Bishop, see the sidebar at right.)

Perhaps because of the following account, David Atlee Phillips was questioned by the HSCA about his possible relationship with both Freeport Sulphur and Moa Bay Mining Company. While working for the HSCA, Fonzi interviewed James Cogswell III, in his home in Palm

Beach, Florida. Cogswell presented Fonzi with various leads he felt were important to the case, one of which was the following:

Cogswell says the Bishop sketch resembles the former president of a Moa Bay subsidiary, Freeport Sulphur of New Orleans. Cogswell doesn't remember name of that officer, but says he knew he had very powerful connections and came from Texas.

When Phillips, who came from Texas, was asked about Freeport, the HSCA staffer noted this response:

Mr. Phillips stated that he "probably" did have some contacts with someone or some persons associated with the Moa Bay Mining Company, but he did not recall any specific names. He also "must have" had some contact with Freeport Sulphur people. "I was fairly socially active at the time and the name of the company is familiar to me."

Note that Phillips did not deny an association, but left it to the investigators to find more. Steve Dorrill reported in the *Lobster* article mentioned previously that one of the pilots of the Moa Bay Mining Company was Pedro Diaz Lanz, a hotshot pilot who defected from the head of Castro's air force and subsequently befriended both Frank Sturgis and E. Howard Hunt, both of whom have also been closely associated with David Phillips. Another employee of the Moa Bay Mining Company, Jorge Alfredo Tarafa, listed Freeport Nickel Company, Moa Bay Cuba as his place of employment from 9/21/59 to 4/8/60 on his job resume. Tarafa was identified as a delegate of the Cuban Revolutionary Front (FRD) in New Orleans, headed by Sergio Arcacha Smith. The FRD was the group that E. Howard Hunt set up with exiled Cuban leader Tony Varona to sponsor anti-Castro activities.

### Arcacha, Banister, and "Mr. Phillips"

*Probe* has turned up a long lost transcript of a deposition of a person whose name would be instantly recognized by anyone who has studied the Kennedy assassination. It is our hope to reveal the source of this deposition to the ARRB if and when they come to the West Coast.

In this deposition, we find the following startling information. Picking up where the witness was telling how Sergio Arcacha Smith, one of Garrison's original suspects in the Kennedy assassination planning, had invited the witness to a meeting in Guy Banister's office:

## Maurice Bishop and "The Spook" Reporter Hal Hendrix

Gaeton Fonzi has written a book that details his search for Maurice Bishop called *The Last Investigation*. To Fonzi's detailed summary of reasons that David Atlee Phillips was indeed the Maurice Bishop that Veclana saw with Oswald, there is a more recent addition. In the back of his updated paperback version of *Conspiracy*, Anthony Summers tells of Jim Hougan's talk with CIA agent Frank Terpil. Jim Hougan will be familiar to *Probe* readers from our last issue. He's the author of the best book on Watergate, *Secret Agenda*.

Hougan got to know Terpil rather well while making a PBS documentary about him. In a tape-recorded interview, Hougan asked why Terpil was going on and on about David Phillips and the AFIO. Among other things, Terpil alleged (as have others) that Phillips' "retirement" from the CIA was phony, and that he continued to work for the CIA through the AFIO. Hougan asked Terpil why he kept talking about Phillips—was it personal, or political? Political, Terpil replied. Hougan asked where Terpil and Phillips had met. Terpil's answer is astonishing, and terribly important. Terpil had met him in Florida while living there with Hal Hendrix's daughter. Really? Asked Hougan. Yeah, said Terpil, Phillips used to come around with Hal Hendrix, but he wasn't using his real name. He was using an alias. What alias? Bishop, Terpil said, Something Bishop. Maurice Bishop? Hougan asked. Yeah, Terpil replied, Maurice Bishop. Hougan wanted to be sure Terpil wasn't putting him on, but came away convinced that Terpil did not understand the significance of what he was saying and that Terpil was answering honestly. Hougan asked how Terpil knew Bishop was Phillips. Terpil said he had run Bishop through the agency's file system in the CIA's Miami headquarters to find out who this Bishop character was. The name that came out: *David Atlee Phillips*.

When *Probe* asked Hougan about this incident, he responded, "Now, in my opinion, Terpil was telling the truth about this—because, frankly, the subject of David Phillips' background and alias would never have come up if I hadn't grown irritated with Terpil's constant kvetching about the AFIO." As a follow-up, Hougan contacted both Seth Kantor, who confirmed his call to Hendrix, and Hendrix's daughter, who Hougan says "seems to be as big a spook as her father was." She issued an "I'm afraid I don't remember" when queried about having lived with Terpil, which, as Hougan noted, "is not a denial."

In 1975, Seth Kantor, a Scripps-Howard reporter and one of the first journalists to report on Oswald's background immediately following the assassination, noticed that one of the Warren Commission documents still being suppressed from the public was a record of his own calls the afternoon of the assassination. Kantor was curious what could have been so sensitive among those calls to require such suppression, and starting actively seeking the document. Listed in the FBI report he finally got released—but *not* listed in the report of his calls published in the Warren Commission volumes—was a call Kantor made, at the request of his managing editor in Washington, to another reporter named Hal Hendrix, then working out of the Miami office. Hendrix was about to leave for an assignment in Latin America but had told the Washington office he had important background information on Oswald to relay. Kantor received from Hendrix a detailed briefing of Oswald's defection to the Soviet Union, his pro-Castro leafletting activities and other such details. Kantor didn't think, at the time, to ask Hendrix where he got his information. Years later, he wished he had, as Hendrix was quite an interesting character.

Hal Hendrix had a claim to fame for his insightful reporting on the Cuban Missile Crisis in 1962. His efforts garnered him a Pulitzer Prize. It was perhaps because of his deep sources that Hendrix was nicknamed "The Spook." Or perhaps it was for his near clairvoyance. In a Scripps-Howard piece dated September 23, 1963, Hendrix wrote a colorful article about the toppling of the Dominican Republic's president Juan Bosch. The only problem was, the coup didn't happen until a day later.

In 1976, Hendrix pleaded guilty to charges of withholding information when a Senate Committee was looking into the corporate ties of ITT to the Chilean coup. Hendrix had worked for ITT in Chile at the time ITT was working with the CIA to bring about the fall of Chilean president Salvador Allende. David Phillips was in charge of the CIA's end of that operation. It is therefore of the greatest significance that Terpil puts Bishop/Phillips in the presence of Hendrix, and that Veclana puts Bishop in the presence of Lee Harvey Oswald. Add the new revelation that a "Mr. Phillips" was "running the show" in conjunction with Sergio Arcacha Smith and Guy Banister in New Orleans (see the story at right), and we know where the Assassination Records Review Board should be devoting the utmost attention. ♦

- Q: Did you go alone to that meeting?  
A: As I recall, I did, yes.  
Q: Who was there?  
A: Mr. Banister, Mr. Arcacha Smith, and Mr. Phillips.  
Q: Do you know his first name [meaning Phillips]?  
A: No.  
Q: Had you seen him before?  
A: No.  
Q: Was he a Latin?  
A: No.  
Q: What was his interest in the meeting?  
A: He seemed to be running the show.  
Q: Telling Banister and Arcacha Smith what to do?  
A: His presence was commanding. It wasn't in an orderly military situation, you know. It was just they seemed to introduce Mr. Phillips.  
Q: How old a man was he?  
A: I would say he was around 51, 52 [Note: the speaker is young.]  
Q: American?  
A: American.  
Q: Was he identified as to his background?  
A: No.  
Q: Were hints dropped as to his background?  
A: Just that he was from Washington, that's all.  
Q: Did you assume from that he was with the CIA?  
A: I didn't assume anything, I never assume anything. . . I think someone mentioned something about this conversation isn't taking place.

The project that Banister and Arcacha and Mr. Phillips were working on, according to the witness, was to be a televised anti-Castro propaganda program, something that would have been in the direct purview of David Phillips as chief of propaganda for Cuban operations at that time.

### The Seizing of the Moa Bay Mining Company by Castro

Unfortunately for Freeport's board (see Board members on page 24), the Moa Bay Mining company was short-lived in Cuba. With \$75,000,000 invested in that operation, one can see how vital the spe-

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## Freeport Sulphur

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cial tax exemption leftover from Batista's reign was to Freeport's Moa Bay operation. And since the deal was negotiated under Batista's regime, one can also see how this must have stuck like a craw in the throat of Castro's revolutionaries as they took control of Cuba in 1959. The Castro government wanted to end the special tax exemption. Freeport wanted to keep it. By March of 1960, Freeport Nickel (parent of Moa Bay Mining, subsidiary of Freeport Sulphur) threatened the Cuban government with an ultimatum: If their special tax status was revoked, the Moa Bay and Nicaro nickel facilities would be shut down.

Freeport knew that Cuba needed the jobs and even partial income that Freeport's nickel operations provided. Freeport must have thought it could bluff this one through, largely due to the particular quality of the Moa Bay ore. The ore was an unusual combination of cobalt and nickel, elements which needed to be separated through a highly complex chemical process, handled at that time by Freeport's New Orleans processing plant. Industry observers were quoted as saying the best thing Cuba could do was to negotiate a compromise, because Cuba could not afford to build the kind of plant Freeport owned. Even the instructions for the process were not kept in Cuba.

Deliberations with the new Cuban government fell apart in August of 1960. According to an "unimpeachable source" in the *New York Times*, the Cuban government felt negotiations should be suspended because of the tense situation between Cuba and the United States. Cuba performed what they characterized as an "intervention," a temporary measure of stepping in and taking control of the mining facility, rather than outright nationalization. This was reported as Cuba trying to leave the door slightly open for some sort of negotiated settlement. But Freeport considered the takeover a battle cry and wanted to invoke international law to protect its rights to the plant.

Cuba ended up retaining the plant, and the United States ending up attempting to invade Cuba under the ill-fated Bay of Pigs operation. One of the planners of the Bay of Pigs, as well as an advocate for assassinating Castro,

was Admiral Arleigh Burke. Burke later became a director of Freeport Sulphur.

### "Mr. White" of Freeport Sulphur

During New Orleans District Attorney Jim Garrison's investigation of Clay Shaw, evidence developed that connected Shaw to Freeport Sulphur. James Plaine of Houston, Texas, told Andrew Sciambra, one of Garrison's assistants, that a Mr. "White" of Freeport Sulphur had contacted him regarding a possible assassination plan for Fidel Castro. Plaine also said that he distinctly remembered either Shaw or David Ferrie talking about some nickel mines which were located at the tip of Cuba. Corroboration for an association between Shaw, Ferrie and "White" came from a witness whose CIA file has only been seen by the CIA and HSCA: Jules Ricco Kimble. Kimble told Garrison's office that "White" had flown with Shaw in a plane believed to be piloted by David Ferrie to Cuba regarding a nickel deal. Another source, a former New Orleans newscaster, told Garrison's team that Shaw and two other persons were attempting to purchase, or had already purchased, an ore processing plant in Braithwaite, Louisiana in the aftermath of the U.S. Government's decision to break off trade relations with Cuba. He said that Ferrie had flown Shaw and two partners to Canada to attempt to arrange for the import of Cuban ore through Canada, as Canada was continuing its trade with Cuba.

The *New York Times* of March 8, 1960, confirms that the Freeport Louisiana special ore processing plant was to be shut down:

Freeport Nickel Company, known in Cuba as the Moa Bay Mining Company, confirmed yesterday that it was closing down operations at its \$75,000,000 nickel-cobalt mining and concentrating facilities at Moa Bay in Cuba's Oriente province.

The company, a wholly owned subsidiary of Freeport Sulphur Company, said a recently passed Cuban mining law together with "other Cuban developments" had made it impossible to obtain the funds necessary to continue operations.

Robert C. Hills, president of Freeport Nickel, said the company had invested \$44,000,000 in related refining facilities in Louisiana. These facilities also will be made idle, as a result of the Cuban situation, he indicated.

In this light, the most significant Garrison memo is one which says that Freeport Sulphur, Shaw and "White"

were together going to buy the Braithwaite plant (built with U.S. government money) to process ore that would be purchased through a Canadian front company, and then shipped back to the Louisiana plant for processing.

### Finding Mr. Wight

Garrison finally found the key to "Mr. White," and wrote it up for the Clay Shaw lead file under the heading "Shaw's Flight to Canada (or Cuba) with Ferrie:"

One man whose name we first thought to be WHITE apparently is WIGHT, Vice President of Freeport Sulphur who reputedly made the flight. An effort is being made to locate WIGHT, who now lives in New York, by a contact of Mark Lane's. Despite the fact that the original source of this information was JULES RICCO KIMBLE, a man with a record, this lead keeps growing stronger. From the very outset it had been reported that the flight had something to do with the import of nickel following the loss of the original import supply from Cuba. Recent information developed on WIGHT in a separate memo, indicates that he is now on the Board of Directors of Freeport Nickel Company, a subsidiary of Freeport Sulphur.

Charles A. Wight was Chairman of the Executive Committee and a Director of Freeport Sulphur, according to his *Who's Who in America* entry from 1954-1955. Yale educated, he had previously been a Vice President for Bankers Trust Company, first in the London office from 1931-1935, then in the New York headquarters office 1936-1948 (see the sidebar at right for a curious Bankers Trust link to the Bay of Pigs operation.) The 1963 *Moody's* guide lists Wight as Vice Chairman under Langbourne Williams. Wight was a key person at Freeport Sulphur. He was still with the company when the HSCA looked into it, in 1977.

It would be hard to imagine that Freeport, under the circumstances, did not work any deals with members of the CIA in an attempt to find a way around it—in the words of its president—"Cuban situation." One should recall here that John McCone, former CIA director and at the time a board member of ITT, told a Senate committee quite frankly that yes, he had discussed getting rid of Allende in Chile, when ITT's properties were at risk due to nationalization efforts. Corporate leaders voicing concerns and urging "executive action" against leaders in other countries is neither new nor, unfortunately, particularly shocking. Witness the recent report (*Washington Post* 1/30/96) where members of the CFR were com-



-plaining openly about provisions prohibiting actions supportive of coup attempts against foreign leaders and calling for the lifting of existing restrictions on the CIA.

Given the evidence that Freeport's Wight may have been pursuing a Castro assassination plot, we cannot overlook this item from Peter Wyden's book *Bay of Pigs: The Untold Story*. According to the CIA's own Inspector General report, Johnny Rosselli was one of the CIA's mobsters involved in Castro assassination plots. According to Wyden, at one of his earliest meetings after having taken on the task of getting rid of Castro, Rosselli told his Cuban contacts that he represented Wall Street financiers who had "nickel interests and properties around in Cuba." Was Rosselli ever paid by or through Freeport Sulphur or any of its subsidiaries? Or had he just been given the reference as a cover? Had he pulled nickel interests out of a hat? Only more file releases on Rosselli can hope to answer those questions.

In *Thy Will Be Done*, there is another startling implication of a Freeport/anti-Castro/CIA collaboration:

Castro was targeted for assassination as early as December 11, 1959, by Nelson's old friend from the CIAA days, J. C. King, now the CIA's Chief of Clandestine Services in the Western Hemisphere. Even before Castro had forced Fulgencio Batista to flee Havana, King and Adolph Berle had met to ponder the fate of Freeport Sulphur Company's mining project at Nicaro, in Oriente province. Now the Nicaro deposits and sugar plantations were facing nationalization. It was clear to King that a "far left" government existed in Cuba. "If permitted to stand," he wrote CIA Director Allen Dulles, it would encourage similar actions against American companies elsewhere in Latin America. One of King's "recommended actions" was explicit:

"Thorough consideration [should] be given to the elimination of Fidel Castro. None of those close to Fidel, such as his brother Raul or his companion Che Guevara, have the same mesmeric appeal to the masses. Many informed people believe that the disappearance of Fidel would greatly accelerate the fall of the present Government."

Which brings us to a crucial point. Freeport Sulphur is a company Wall Street considers a "Rockefeller" company. There are numerous Rockefeller ties to the board of directors (see the sidebar at right). There is a significant tie that led to the stockpiling investigation. And Adolph Berle and J. C. King, as well as John Hay Whitney, were all very closely tied to Nelson Rockefeller himself. So the revelation that J. C. King and Adolph Berle were conversing about the fate of a Rockefeller-controlled company is significant, credible, and highlights the ties between these players and the CIA, where J. C. King-and in later years David Atlee Phillips- presided as Chiefs of the Western Hemisphere Division. In a strange twist of fate, Rockefeller's good friend King was the authenticating officer on a cable giving authority to kill Castro's brother Raul. Interestingly, Whitney's cousin and friend Tracy Barnes sent the cable rescinding the original order a couple of hours later.

### **Freeport versus Kennedy: The Stockpiling Investigation**

Already reeling from its losses over Castro's appropriation of the Moa Bay plant, Freeport found

itself under attack from a new quarter: a Senate investigation into stockpiling surpluses, requested by President Kennedy himself.

In 1962, President Kennedy asked Congress to look into the war-emergency stockpiling program, stating it was "a potential source of excessive and unconscionable profits." He said he was "astonished" to discover that the program had accumulated \$7.7 billion worth of stockpiled material, exceeding projected needs by \$3.4 billion. Kennedy also pledged full executive cooperation with the investigation, mentioning specifically \$103 million in surplus nickel.

The Senate pursued an investigation into stockpiling surpluses. Special attention was paid to three companies in which the Rockefeller brothers had substantial holdings: Hannah Mining, International Nickel, and Freeport Sulphur. A December 18, 1962 headline in the New York Times read "U.S. Was Pushed into Buying Nickel, Senators Are Told." The article opened with this:

A federal official told Senate stockpile investigators today that the U.S. Government got a bad deal in a 1957 nickel purchase contract with a potential \$248,000,000 obligation.

John Croston, a division director in the General Services Administration, testified that he had strongly opposed the contract with the Freeport Sulphur Company.

But, he said, officials in the agency "knew that the contract was in the bag from the beginning." Pressure for it, he said, came from the Office of Defense Mobilization, then headed by Arthur S. Flemming.

Dr. Arthur S. Flemming was regularly a part of the National Security Council under Eisenhower. Right after Ike's election, in November of 1952, Dr. Flemming served with Ike's brother Milton on the three-member President's Advisory Committee on Government Organization, headed by Nelson Rockefeller. Perhaps it was his friendship with Nelson that caused some to accuse Dr. Flemming of some arm-twisting on Freeport's behalf. The New York Times (12/19/62), reported:

The subcommittee was told yesterday by officials

## Freeport Sulphur's Powerful Board of Directors

Freeport Sulphur's Board of Directors has always held an astounding number of heavy hitters. Look at some of the Directors from the '60s and '70s.

### Arleigh Burke

An early participant in the Bay of Pigs planning, he also was one of the ones strongly pushing for the assassination of Fidel Castro. Burke served on the Committee for a Free Cuba, along with *Time/Life* mogul Clare Booth Luce and Virginia Prewett—a journalist David Phillips said he knew quite well. The former Chief of Naval Operations also gave an endorsement to an organization well known to readers of *Probe*, INCA—Information Council of the Americas, a CIA-allied Latin American propaganda organization.

### Augustus Long

Augustus "Gus" Long was Chairman of Texaco for years. Texaco, like Freeport, had investments in Cuba. Unlike Freeport, Texaco's operation was designed to run at a loss, as a tax write-off. Long had also done "prodigious volunteer work for Columbia Presbyterian Hospital." Those of you who read our last issue of *Probe* will recall that Columbia Presbyterian was a client of the Mullen Company, and that a former employee of the Mullen Company had described Columbia Presbyterian as a hotbed of CIA activity. Gus Long once had to step aside so a building at Columbia University could be named after Armand Hammer instead. Long then got a library named after himself. The Rockefellers are generous donors to Columbia University.

### Robert Lovett

Lovett had been General Partner at Brown Brothers, Harriman (he married a Brown.) He had served as Undersecretary of State, Assistant Secretary of War, and Secretary of Defense. He sat on the National Security Council. Ruling class researcher and author G. William Domhoff called Lovett a "Cold War architect." Lovett once accused Army Intelligence (G-2) of ineptitude when he learned that German scientists hadn't

been brought out of Nazi Germany yet. Lovett was also best friends with Chase Manhattan Bank Chairman and Warren Commission member John J. McCloy. These two, along with Harvey H. Bundy, formed a close working relationship. Harvey H. Bundy was the father of McGeorge and Bill Bundy.

President Kennedy tried to sign up Lovett for a role in his administration. Although Lovett declined, his suggestions must have carried a lot of weight with Kennedy. For the State Department, Lovett proposed Dean Rusk. For Defense Secretary, either his friend John J. McCloy or Robert McNamara, his protegee. And for the Treasury, McCloy or C. Douglas Dillon. Kennedy took Rusk, McNamara, and Dillon.

### Jean Mauze

As the third husband of Abby Rockefeller—sister of David, Laurance, John III, and Nelson—Mauze was the Rockefellers' brother-in-law.

### Godfrey Rockefeller

Second cousin to Nelson, David, Laurance and Abby, Godfrey was the brother of James Stillman Rockefeller. Godfrey was a trustee of the Fairfield Foundation, which provided funds to *Encounter*, a British publication later revealed to be financed by the CIA. Fairfield also financed the Congress for Cultural Freedom, also exposed as a CIA front.

### Benno C. Schmidt

Benno C. Schmidt was an original partner in J. H. Whitney & Company, where he knew former deputy director of the CIA William Jackson. Schmidt taught law at Harvard, and had worked for the War Production board. Schmidt eventually ran Yale University, the CIA's favorite academic recruiting ground. He was Chairman of the Board of Trustees of the Memorial Hospital for Cancer and Allied Diseases, a center that had become a pet project of the most secretive of the Rockefeller brothers, Laurance Rockefeller. Schmidt was also heavily involved with David Rockefeller, as the two of them jointly owned "Orleans Farm" in Australia—a showcase ranch. ♣

## Freeport Sulphur

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of several Government agencies that they opposed the contract because they felt the need for nickel was exaggerated.

These officials said, however, that Dr. Arthur S. Flemming, then head of the Office of Defense Mobilization, was determined that the contract be signed.

One witness said Mr. Flemming had indicated that competition against the International Nickel Company, the giant in the field, should be encouraged.

But what Flemming apparently didn't know, or hadn't shared if he did, was that both Freeport and International Nickel Company (INCO) shared some of the very same investors: the Rockefellers.

Croston said he had opposed the contract with Freeport from the beginning, stating "there was no real shortage of nickel at any time" and that cobalt "was running out of our ears." Freeport's earlier 1954 contract with the government caused the U.S. to spend \$6,250,000 to help build that special Louisiana nickel-cobalt ore processing plant so necessary to the Cuban mining operations. Another contract obligated the government to buy up to 15,000,000 pounds of nickel at a premium price, as well as 15,000,000 pounds of cobalt.

The committee's head, Senator Stuart Symington, reported that it was John Whitney who exerted his influence from Freeport's end to get the government contract for the nickel.

Freeport's Chairman, Langbourne Williams, defended the contract, claiming the contract had saved the Treasury money, and had not been entered into for the purposes of stockpiling, but rather to increase nickel production capacity. He contended that the government ended up not having to purchase any nickel under the contract because Freeport had been able to sell to other buyers the nickel and cobalt produced at Moa Bay before Castro took it over.

But the controversy flowed over into 1963, and Press Secretary Pierre Salinger stated that the Kennedy administration planned to make stockpiling an issue in the 1964 campaign. As we know, JFK didn't live long enough to fulfill that promise. ♣

Part Two of this article, concerning JFK, Freeport, Sukarno and the Indonesian blood-bath, will appear in the May-June issue of *Probe*.