

## EIR Investigation

# Fidel Castro's friend Vesco aids the Contras

by Gretchen Small

"If [Nicaraguan chief] Daniel Ortega had no Contras, he would have to invent them," Costa Rican President Oscar Arias told Washington reporters on Dec. 5, during a two-day visit to the U.S. capital. Arias urged the Reagan administration to take more interest in the countries of Central America, particularly their economic problems, if the region is to be protected. Not only have the Contras not weakened the Nicaraguan threat, but they have provided the Sandinistas "a very good excuse to make Nicaragua a more dictatorial regime," he argued.

Investigations into the Contras' logistical support apparatus exposed in the ongoing Iran-Contras scandal, prove, however, that Daniel Ortega's international friends *did* invent the Contras. In fact, with the identification of the Swiss-based "financial consulting" outfit, **Compagnie de Services Fiduciaires, S.A.**, as a center of Contra supply networks, it is proven that the financial empire of one of the Sandinistas' top financiers and benefactors, narcotics finance king **Robert Vesco**, sits at the center of Contra operations.

The implications of the Iran-Contras scandal go much deeper than a case of "ripping off the ayatollah" to finance Nicaraguan "freedom fighters," further even than violations of the law banning U.S. officials from arming the Contras during 1983-85. What *EIR* has reported since 1981, when U.S. intelligence first set-up the Contras, has been confirmed in spades: The Contra operation was cooked up, not by President Reagan, but by the friends and assets of Moscow in the West, centered around the international narcotics trade.

### A Trilateral Commission policy

From the beginning, the Contras policy was designed to provide a "conservative" cover for the sell-out of Central

America to Soviet-run narco-terrorists struck with the Soviet Union by Jimmy Carter's Trilateral Commission government. Carter administration officials spoke of perpetual warfare in Central America, and argued that the United States could not allow any faction—"left" or "right"—to *win*. Central America's militaries were cut off from U.S. assistance, and control handed over to Israeli arms- and drug-running networks under the Carter administration—*policies continued under the Reagan presidency by means of the Contras policy*.

Even the most ardent Contra supporters do not argue that the Contra irregulars are a military threat to a Sandinista regime kept well armed by Moscow. Neither is the argument that the Contras will force the Sandinistas to the negotiating table credible. As Costa Rican President Arias emphasized, the Contras only provide the Nicaraguan regime with the "foreign threat" they need to quiet rebellion against their uneasy rule. What is its purpose, then?

The Contras policy is designed to keep the United States from adopting a strategy that could stabilize Central America permanently, plain and simple. The basic principles of such a policy require that the United States:

- 1) Build up the countries in the region, both militarily and economically. Here, debt relief and construction of infrastructure are the required pillars of an economic strategy designed to defeat the narcoterrorists.

- 2) Lead a military assault on the narcotics trade which provides the infrastructure for all terrorist insurgencies in the region. Here, the United States can provide the militaries of allied countries in Central America the logistical, technological, and intelligence support necessary to crush the drug networks.

- 3) Let the Contadora countries, supported by the reacti-

vated Central American Regional Defense Council (Condeca), provide the larger regional framework required for long-term economic and political development.

This is the policy against which Assistant Secretary of State **Elliot Abrams** has been the most outspoken. Abrams argues against a policy of containing Nicaragua "through a combination of economic, political, and military support for its neighbors, and a diplomatic and economic quarantine of Nicaragua itself," the *Baltimore Sun* reported on Dec. 5, because, he says, the United States does not have the "staying power" to win.

In June, Abrams stated outright that his policy is to *limit* the military capabilities of Ibero-American nations, even under the current conditions of escalating narcoterrorist warfare across the continent, a message he delivered in a speech to the Inter-American Defense Board. The "enlargement of military forces" in Ibero-America "threatens civilian institutions," he stated, a doctrine straight out the heyday of Cart-er and quite to Daniel Ortega's liking.

Under *EIR's* strategy, the United States wins allies in the process of kicking the Russians and the mob out of the region. Under the Carter-Trilateral-Contras policy, the crisis worsens, until the point that the United States must send its own troops in, in battle against populations which view our nation as a leading cause of their misery.

The creators of the perpetual-war strategy now speak of "reforming" the Contras, to save the policy behind it. The Contras must now be prepared for "long-term guerrilla warfare. The model is El Salvador's leftist guerrillas," the *Christian Science Monitor* reported Dec. 10, as the consensus developing among the administration's Central American "analysts"!

The unraveling of the truth of who runs the Contras as Irangate proceeds, provides the United States an opportunity to dump the liberals' policy of bleeding Central America on behalf of a strategic deal with the Soviet Union, whose ultimate aim was to see U.S. troops leave Europe to fight perpetual, no-win wars in Central America.

### **Vesco's mob and the Contras**

Accusations that the Contras traffic in narcotics have been raised periodically. On Nov. 27, Honduran police caught the main army of the Contras, the Nicaraguan Democratic Forces (known as the FDN), red-handed in the business. When police raided a marijuana farm set up near an FDN camp at Capire, three Nicaraguan Contras were found and arrested for running the farm, along with two Hondurans. One of those arrested, Pastor Rivera, confessed that he was a military intelligence operative of the FDN, the largest Contra military group, which, until this, had claimed any drug connections were limited to other factions in the Contras, centered in Costa Rica.

Each time the narcotics accusations have come up, U.S. officials associated with the Contras have stated that, *if* any drug connections exist, the problem is limited to a few bad

apples in the Contra barrel. Robert Vesco, the fugitive American financier running Carlos Lehder's cocaine trade today from the comfort of Havana, Cuba, has laughed at that one—all the way to the bank.

Take the case of the Compagnie de Services Fiduciaires, S.A. (CFS), a Swiss "consulting firm" on fiscal and financial matters. Located at No. 3 Thury in Geneva, CFS shows up repeatedly in the Iran-Contras scandal. Identified as the shell company used to transfer the profits from sales of U.S. arms to Iran to bank accounts used by the Contras, CFS was then identified as the company running financing for several covert operations of the "208 Committee." The plane used by former National Security Adviser Robert McFarlane in his secret goodwill visit to Iran, was owned by New York Republic Corporation Transport Services, S.A., a company itself owned jointly by CFS and Edmund Safra's Republic National Bank in New York (where CFS maintains some accounts).

A CFS subsidiary, CFS Investments in Bermuda, purchased planes for the Contras. Located at the same address as CFS in Geneva, is an office of **Stanford Technologies International Trading Group**, a company run by Iranian-American arms dealer **Albert Hakim** and retired U.S. Air Force Maj.-Gen. **Richard Secord**. Stanford Technologies handled many of the Contras international operations, with Secord identified as Lt.-Col. Oliver North's "executive agent" on Contra resupply operations from El Salvador (the route exposed when the Sandinistas downed a plane carrying weapons to the Contras on Oct. 5, and captured Eugene Hasenfus), which was run by a team from Stanford Technologies, including retired Air Force Col. Robert Dutton.

### **The Zucker connection**

Who runs CFS? Swiss lawyer Jean de Senarclens is president, with the company's general director, **Willard Zucker**, playing a leading role (including directing CFS' subsidiary in Bermuda). It is Zucker who leads the operation straight back to Robert Vesco.

In the late 1960s, Zucker joined Bernie Cornfeld's Investors Overseas Services, running the legal department of IOS and, for a time, serving as an IOS director. Zucker came from the New York law firm, Willkie, Farr & Gallagher, where he had been a partner, and soon proved to be part of an advance team for Robert Vesco's 1971 takeover of IOS. Willkie, Farr & Gallagher, in fact, ran Vesco's raid, and subsequent looting of IOS, under the direction of the firm's leading partner, **Kenneth Bialkin**. As *EIR* documents in its bestseller, *Dope, Inc.*, Bialkin and Wilkie, Farr & Gallagher introduced Vesco to top Israeli mobster **Meshulam Riklis**, who provided Vesco the stock he used to take over IOS, from which, in turn, Vesco made the initial capital off which he built his Caribbean narcotics and dirty money empire.

Zucker left Investors Overseas Services to found CFS, shortly before Vesco's looting collapsed its global financial pyramid. Some say CFS is in fact the continuation of IOS's

operations, under new cover.

CFS is only one track of the Vesco-Bialkin mob control over the Contras. Gen. **John Singlaub**, the Contra's leading private fundraiser, works closely with Bialkin's **Anti-Defamation League**. Bialkin chaired the ADL for years, until he stepped aside earlier this year when the publicity around his dope-connections threatened to sink the ADL entirely. According to his own account, Singlaub brought in the ADL to "clean out" the **World Anti-Communist League** when he took over as chairman. Singlaub turned over WACL membership lists to the life-time socialist who heads the ADL's Fact-Finding Division, **Irwin Suall**, for Suall to decide which groups to purge from WACL!

Vesco and the ADL, in turn, are part of the mafia that includes Israeli cabinet minister **Ariel Sharon**, another principal in the formation of the Contras. *EIR's* March 1, 1986 *Special Report*, "Moscow's Secret Weapon: Ariel Sharon and the Israeli Mafia," details the Soviet ties of this extensive international dope and arms network. (In that report, *EIR* reports the connections of Elliot Abrams, assistant secretary of state for Inter-American affairs, to this Israeli mob. Abrams, who likes to brag that *he* runs the Contras, is a member of the so-called covert operations "208 Committee," and chairs the Interagency Group on Central America, of which Lt.-Col. Oliver North was also a part. So much for Abrams's talk of "reforming" the Contras.)

As is now public knowledge, as secretary of state, **Alexander Haig** gave principal responsibility for the arming, training, and financing of the Contras to Sharon's Israeli mob, an arrangement sealed in a secret accord signed by Haig and Sharon in 1981, when Sharon was defense minister of Israel. Under those agreements, Israeli arms traffickers began shipping weapons and supplies to the Contras, through corrupted elements of the Honduran armed forces. In his December 1982 visit to Honduras, Sharon established direct relations with the chief Honduran running this network, then Defense Minister Gen. Gustavo Alvarez. Alvarez was later dumped from the Honduran military, on charges of corruption which included his association with Honduras's military attaché in Chile, Gen. José Bueso-Rojas, who had been implicated in a cocaine-trafficking ring! Today, both Alvarez and Bueso-Rojas are "private" advisers to the Honduran-based Contras.

### **Soviet connection to be investigated**

Soviet assistance to the Contras was first revealed last summer when the Danish ship, the *Pia Vesta*, carrying 250 tons of Soviet-made weapons, was stopped in Panama's waters. The weapons had been sold by the East German state trading company, and loaded in Rostock, East Germany at the end of April 1986. The *Pia Vesta* carried two manifests aboard, one showing the weapons' destination as the Peruvian Navy, the other, El Salvador's military. Speculation began that the weapons were destined for the Contras, shipped "through" El Salvador's military, as Israeli weapons passed

"through" the Honduran military.

The *Pia Vesta* anchored off Peru's shore in June, but never contacted port, before heading back to the Panama Canal. Spokesmen for the Danish company handling the shipment, the Copenhagen Shipping Co., APS, stated that El Salvador was the final destination. Soon thereafter, from Miami, a reputed CIA-linked arms dealer, David Duncan, announced that he had bought the weapons from the East German state trading company. Panamanian investigators then confirmed that the weapons were to be shipped from El Salvador to the Contras, using the route later exposed as that run by Secord's Stanford Technologies.

Perhaps most telling was that 250 tons of Soviet weapons had been found in the Western Hemisphere, and the U.S. press and intelligence kept silent! A July 18 *Wall Street Journal* article on Oliver North's work with the Contras hinted at the reason why. "North's work had risks. It is full of secrets which are very dangerous to reveal; for example, the identity of the people who are providing East bloc arms to the Contras," the *Journal* wrote.

Maybe North argued here, too, that he was dealing with "moderates" within East Germany. As for East Germany, government officials admitted the money for the arms came from Switzerland, but dismissed the matter as "a commercial transaction." (U.S. officials told AFP that "not much worry existed over a shipment of arms which went from one banana republic to another.")

New files opened by the CFS and related investigations demonstrate that Soviet bloc involvement in the Contra operation was not limited to the *Pia Vesta* case. Secord and Hakim themselves come out of a Soviet-contaminated network within U.S. intelligence. Hakim and Secord were long-term associates of **Edwin Wilson**, as were several other agents directing field operations of the Contras. When Wilson was tried and convicted of selling weapons to Libya in 1983, Secord testified on Wilson's behalf at the trial. Wilson, with his now-fugitive partner, **Frank Terpil**, were reportedly both employees of Stanford Technologies at one time.

In the early 1970s, Albert Hakim had been implicated in smuggling computer technology to Warsaw Pact countries, when both he and another associate, **David Shortt**, were, respectively, the Iranian and Austrian representatives of Hewlett Packard. Following U.S. government investigation for illegally shipping HP computer systems to Czechoslovakia, Shortt formed an Iranian-based firm with Albert Hakim, dedicated to selling advanced technology to Russia.

The Dec. 3 issue of *Tribune de Genève* revealed another track to be followed. The CFS-connected New York Republican Corporation Transport Service, cited above, bought its planes from another Geneva-based company, named **Aero-leasing**, which includes Swiss industrialist **Peter Notz** as a top director. Notz is a close associate of Syrian intelligence, and works with the Nazi terrorist controller François Genoud, whose controlling role in protecting Soviet-directed Arab terrorism has been documented by *EIR*.