
Project Democracy

PAN blames LaRouche for media exposure of ties to Colonel North

by D.E. Pettingell

In an official communiqué issued in Mexico City March 27, Mexico's National Action Party (PAN) charged that the Mexican Labor Party (PLM) and Lyndon H. LaRouche are behind articles printed in U.S. dailies exposing the PAN ties to Lt. Col. Oliver North's Project Democracy, the illegal "secret government" that nested inside the U.S. National Security Council. Absurd as it may sound to *EIR* readers who have followed the slanderous media campaign against LaRouche, to credit the PLM and LaRouche for articles printed in the U.S. press, it is apparently the only response the overexposed PAN could come up with.

According to the *Baltimore Sun* on March 26, North's fundraiser, Carl "Spitz" Channell, asked PAN representatives and wealthy backers to help fund the U.S.-backed Nicaraguan Contras in return for "access" to Ronald Reagan and a more pro-PAN policy by the White House. The *Miami Herald* on March 27 gave further details on the Channell-PAN negotiations, revealing that Channell and two of his employees met with PAN representatives on Aug. 14, 1986 at Washington's Hay Adams Hotel. Ricardo Villa Escalera, the Anglophile PAN leader from Puebla, and Alfredo Corella from Monterrey, are the two suspected of having attended the meeting with Channell, the *Herald* reported. Channell and the PAN discussed a major media campaign against the Mexican government.

"You know about one Mexican earthquake, but not about the second earthquake." Pause. "Mexico is going Communist," said a television ad proposed by Channell to the PAN, according to the *Herald*.

LaRouche and the PLM, an independent Mexican political group which promotes the type of debt solutions and economic development policies which have made LaRouche perhaps the man most hated by the Eastern Establishment, indeed can be credited for being the first and, until late March, the only ones, to denounce the PAN connections to the Iran-Contra scam. *EIR* has documented how, on the pretext of "democratizing" Mexico, the PAN was "picked up" by Project Democracy in the early 1980s to try to destroy the Mexican republican system and crumble institutional resistance to further looting by Mexico's international creditors.

Ever since 1985, the PLM published the book *The PAN, the Party of Treason*, identifying the U.S. network behind

the PAN, anyone who criticizes or attacks their ties to the United States is, by definition, working for the PLM or LaRouche.

From 'democracy' to violence

The story on the PAN-Iran-Contra link was the unpleasant welcome that a four-member PAN delegation received when they arrived to Washington March 24 for meetings with the Organization of American States' Human Rights Commission. The PAN group met behind closed doors with the commission members on March 25 and 26 to try to manipulate them into intervening in Mexican internal political affairs. Last September, the same group of individuals filed charges before the commission on "political rights violations" by the Mexican government.

"Our fight is democracy," Guillermo Luján told a group of international reporters gathered at the National Press Club March 27, after the hearings with the OAS. But, if the United States does not impose "democracy" on Mexico, defeated



Chagrined PAN-istas (l. to r.) Rudolfo Elizondo, Clara Torres, and Francisco Barrio, at National Press Club following their appearance at the Human Rights Commission of the OAS.

PAN gubernatorial candidate for Chihuahua state Francico Barrio added, there would be "an eruption of violence" during Mexico's 1988 presidential elections. So much for the PAN's champions of "democracy."

Despite the PAN delegates' efforts to avoid the Iran-Contra issue, reporters questioned them over and over on the subject. Luján, Barrio, and the two others, Rodolfo Elizondo and Clara Torres, claimed ignorance on their party's connections to North, et al. They said that Villa Escalera "lacked" party backing when meeting with people in foreign countries.

PAN controllers know better. Villa Escalera is perhaps the PAN's most clever negotiator: He learned it from the British. Married to the daughter of British Labor leader George Woodcock, Villa Escalera graduated from Oxford in "free trade economics." According to reliable Mexican sources, Villa Escalera started negotiating with the United States on behalf of the PAN through the U.S. embassy in Mexico in 1984.

The Clews clue

The mere visit to Washington is enough to disprove their claims of not knowing who pulls their strings in the United States. As in 1986, the PAN OAS group "hired" the Washington-based Clews Communications, Inc. public relations firm to represent them. The PAN visit was not only promoted by Clews, but the company's president-owner, Carter Clews, announced that he had registered himself with the Department of Justice, under the Foreign Agents Act, as "foreign agent" for the PAN in Washington.

Carter Clews is closely linked to some of the most prominent actors in the Iran-Contra scenario. Clews is a personal friend of Robert Owen, a former North employee in the illegal Contra supply network, who has been granted immunity in return for his testimony. According to U.S. media sources, Owen asked Clews to represent Gen. John Singlaub, a long-time North confidant suspected of wrongdoing in the Contra supply network. Apart from having the same "agent," the PAN and Singlaub enjoyed a common money source: the Council for Inter-American Security, which on Aug. 13, 1986, paid over \$30,000 for a full page pro-PAN ad in the *Washington Post*, and granted at the same time \$20,000 to General Singlaub for aid to the Contras. Singlaub is a CIS advisory board member.

Clews Communications is currently promoting the 1985 book *Mexico, Chaos on our Doorstep*, by Project Democracy's Sol Sanders, known to have been the liaison between Clews and PAN leaders, many of whom helped Sanders in "researching" slanders against Mexico's republican history for his book.

Although the *Miami Herald* reports that nothing "apparently" came out of Channell's offer to the PAN, well-placed Mexico City sources report that Villa Escalera met President Reagan and that there is even a picture of the two. Is this in payment for the PAN campaign to discredit Mexico's institutions?

Volkswagen funds pro-dope schemes

by an EIR Investigative Team

During the February-March period, the Volkswagen Corporation in West Germany came under scrutiny for engaging in hundreds of millions of deutschmarks worth of fraudulent, speculative currency transactions. Insiders in financial centers in Europe have suggested that investigations of these activities may, eventually, implicate the leading members of the Volkswagen board of directors.

As controversial as all this is, investigators may soon find it necessary to open a "second front" in looking at what happens to Volkswagen money. *EIR* has learned that the Volkswagen Foundation, which, through various mechanisms, utilizes financial resources of the corporation for its project grants, has been supporting groups and entities in Ibero-America that serve as fronts for drug-trafficking and its "narco-terrorist" offshoots.

The Volkswagen Foundation is emerging as an important funding arm for projects that would come under the blanket name of "Project Democracy" in the United States.

The capital of the Volkswagen Foundation was DM 1.4 billion, and total funding of projects about DM 130 million. The funds for the foundation are annually collected from the total dividend on the capital share (20%) the state of Lower Saxony keeps in Volkswagen Corporation, and from the total dividend on the capital share (16%) the federal government in Bonn keeps. The rest is provided from 10% of all other profits Volkswagen Corporation makes. All these funds are tax-exempt.

'Democracy,' the Sandinistas, and Adam Smith

EIR has collected the following leads about such VW Foundation funding, all of which come under the overall "program focus area" called, "Fundamental Developments in Latin America, Asia, and Africa":

- A project entitled, "Trade union movement and democracy in Latin America: ideology and politics of the trade union confederation (COB) in the democratic process of Bo-