

# Kissinger Associates: conflict continues

by Jeffrey Steinberg

Even as a docile Sen. Jesse Helms (R-N.C.) was adding his voice to the chorus of endorsers of Lawrence Eagleburger as deputy secretary of state, thus allowing Eagleburger's unanimous voice-vote confirmation by the full Senate on March 17, the furor over Eagleburger's conflict of interest as president of Kissinger Associates was continuing to draw public attention.

In a behind-closed-doors deal on March 16 with the Senate Foreign Relations Committee, Eagleburger promised to provide State as well as Senators Claiborne Pell (D-R.I.) and Helms with a complete list of Kissinger Associates and Kent Associates clients, and to recuse himself for one year from any policy decisions affecting any of the firms' clients. The deal paved the way for the committee to unanimously vote his name onto the floor.

The secret deal enabled Eagleburger to pass the confirmation hurdle, but at the same time put the Kissinger firm under an international spotlight that has had the former secretary of state squirming ever since. Even the brief flurry of tough questions about Kissinger Associates clients and the kinds of services rendered sent Henry into orbit. The day before the Eagleburger hearings began, Kissinger told the *New York Times* that he was "violently opposed" to having his confidential business dealings "dragged through the mud."

Just back from Tokyo on March 22, Kissinger told a press conference at a synagogue in Cincinnati that he was still raging at the media's prying into his business affairs. "Every smart-aleck newsman is asking my clients what I did for them and I think it's an outrage," Kissinger moaned.

According to a Reuters wire on his Cincinnati outburst, Henry was in part responding to an article in the March 27 issue of *Newsweek* which was based in part on interviews with several of Kissinger Associates' clients, by a small army of *Newsweek* reporters.

Discussing the pros and cons of the Kissinger Associates consulting service, *Newsweek* asked, "Is Henry worth his fat fees? Skeptics doubt that he can tell his clients much more than he writes in articles, discusses in dozens of speeches a year and doles out in gravelly TV commentaries. Yet as even a rival consultant concedes, if a chief executive isn't well versed in world affairs, Kissinger's detailed analysis and

advice may be 'a lot of B.S., but it can be very valuable B.S.' "

Now that Eagleburger has returned to Foggy Bottom after four years in the big leagues of six-figure consultants' salaries, the substance of his conflict of interest takes on immediate policy consequences. While the full list of Kissinger clients has not been made public, and presumably will be kept a secret by the State Department's general counsel and Senators Pell and Helms, this news service's probe into the 15 clients disclosed by Eagleburger in his confirmation hearings revealed that Eagleburger was in conflict on virtually every major foreign policy decision dealing with the Soviet bloc, Ibero-America, most of the European Community, Japan, and Israel. In addition to his Kissinger and Kent Associates clients, Eagleburger has also recused himself from any matters concerning ITT, on whose board he sat during his four years outside the foreign service.

While Kissinger whined to his Cincinnati audience that his business dealings were 100% private—"I have no government clients and I am not registered as a foreign agent"—in fact, this is a thinly veiled ruse. Kissinger and Eagleburger's personal attorney and fellow Kissinger Associates director is William Dill Rogers, of the Washington law firm of Arnold and Porter. Rogers is, or recently was, the attorney for a number of foreign governments, from Nicaragua to Israel.

Eagleburger, during his foray into the private sector, also prepared a series of policy papers for the Institute for Near East Studies, an organization sharing offices with the American-Israeli Public Affairs Committee (AIPAC), the official Israeli lobby in the United States.

## Test of ethics guidelines

Under the "kinder and gentler" administration of George Bush, the American people have been promised a stricter enforcement of ethics guidelines for government employees. Eagleburger's tenure at State remains the critical test case of the Bush administration's genuine commitment to enforce those ethics standards.

In May, Kissinger himself may be forced to deliver a public accounting of his activities in the international business world. New ethics guidelines go into effect then that would force Henry to disclose details of his consulting activities, in order to maintain his waiver of conflict as a member of the President's Foreign Intelligence Advisory Board, a post that entitles him to access to classified American intelligence secrets. Under the new guidelines, the continuing waiver demands much broader disclosure. At that time, Henry may just pack his bags and leave PFIAB.

While such a move would be a victory for U.S. national security, it would be a pyrrhic victory at best, unless Kissinger's two principal assets in the Bush inner sanctum, Larry Eagleburger and Brent Scowcroft, are sent packing along with him.