

has turned large parts of the national technical means of the United States developed for combatting Russia into arms of Chase, Citibank, and so forth that employ eavesdropping, codebreaking, and psychological warfare experts to profile Ibero-American leaders' vulnerabilities during debt negotiations, so that there will be no "debtors' cartel" or repeat of the 1982 shock from Mexico.

While Cherne has so far refused on national security grounds to state whether or not Henry Kissinger works with the debt task force at PFIAB, it is known that Kissinger uses his security clearance from PFIAB to review documents on subjects outside his immediate assignments, as well as to initiate political intelligence operations. It has been charged that Kissinger not only briefs Chase and other creditor bank clients on policy, but that he mounts U.S. government intelligence operations to effect debt collection for them.

For example, even before he joined the board in 1983, Kissinger's friends, David Abshire and Edward Bennett Williams, used the board to order FBI Director William Webster to open an investigation of Lyndon LaRouche, who had been a party to the 1982 steps by the López Portillo government, and also the author of *Operation Juárez*, for an orderly reorganization of the debt that would both preserve the major banks from going belly up, while permitting significant growth by the debtor countries, free of IMF "conditionalities." Kissinger's friends lied that LaRouche and his associates might be funded by "foreign hostile intelligence."

Even before he joined PFIAB, Kissinger was working with one member, Alan Greenspan, now Federal Reserve chairman, to develop a "debt-for-equity" looting scheme that would supplant bad debt for equity in the industries, raw materials, and other natural resources of sovereign Ibero-American nations. Kissinger and Greenspan first recommended this approach on Aug. 27-28, 1983 at the American Enterprise Institute meeting in Vail, Colorado, during a private session with representatives from 50 major firms, who paid Kissinger and Greenspan large honoraria for this advice. This policy has since been implemented as part of the "Brady Plan" of the Bush administration, as well as by Kissinger's firm, Chase Manhattan Bank, through extensive deals with Brazil.

Another more recent operation that Kissinger is suspected of having run through PFIAB is the arrest of Mexican oil workers union leader Joaquin Hernández Galicia ("La Quina"), who was framed so that Mexican President Carlos Salinas Gortari could "privatize" the Mexican oil industry in a major debt-for-equity deal. This scheme to sell off Mexico's patrimony had been floated by Kissinger during meetings with top officials in that country in January 1988, only a week before La Quina's arrest.

Just as Kissinger used PFIAB to open the "Get LaRouche task force," an investigation is also under way to confirm whether this is the secret story behind the projected looting of the Mexican oil industry.

North conviction a the 'Watergating' of

by Jeffrey Steinberg

The May 4 conviction of Lt. Col. Oliver North on three felony counts for his activities during the Iran-Contra debacle has triggered a new flurry of speculation as to the survivability of the Bush presidency. Unless George Bush adopts a radically different approach than his current "no guilty conscience" attitude toward mounting demands that he and former President Ronald Reagan provide a more forthright account of their role in the Iran-Contra episode, the President may find himself swept up in a torrent of new revelations and damning questions that may ultimately bring him down.

In the closing moments of the North trial, defense attorney Brendan Sullivan introduced a sanitized version of a document based on National Security Agency intercepts, which proved that then-Vice President Bush, President Reagan, and CIA director William Casey were all aware of the profiteering of North's co-defendants Gen. Richard Secord and Albert Hakim in sales of U.S. missiles and other arms to Iran. A series of documents released during the course of the North trial showed that both Reagan and Bush were apparently involved in a *quid pro quo* with the government of Honduras to unfreeze hundreds of millions of dollars in American aid in exchange for Honduran support for the Contras. While the illegality of the *quid pro quo* is doubtful, inasmuch as Congress had already allocated the funds to the Central American state, the fact that the documents were not provided to the congressional panel reviewing the Iran-Contra affair has produced howls of "coverup" that sound remarkably similar to the early choruses of Watergate.

In fact, at the present time, no fewer than seven congressional committees have announced that they are reopening investigations into the circumstances around the withholding of the document and the precise role of Reagan and Bush in negotiating the third-country Contra aid by Honduras and other countries. The House Appropriations Committee has additionally announced that all foreign aid to Central America will be held up until the committee receives a full accounting of the Reagan-Bush *quid pro quo* deal. The Senate Foreign Relations Committee is likewise holding up indefinitely the confirmation of John Negroponte as ambassador to Mexico. The former ambassador to Honduras during the Bush visit to Tegucigalpa in 1985 is being squeezed to provide his version of the events.

prelude to George Bush?

With the flurry of congressional activity sure to grab headlines for months to come, there are other far more ominous events on the summer calendar that promise to surface other dramatic and previously covered-up aspects of the Iran-Contra mess. In a sense, President Bush's apparent confidence that the Iran-Contra affair is a "paper tiger" is based on inside-the-Beltway myopia. Congress, according to many Washington sources, is so deeply implicated in the scandal on both sides of the aisle—that no one on the Hill really wants to get into a public brawl with the President. Allegedly, Sen. Daniel Patrick Moynihan (D-N.Y.), operating behind closed doors at the Senate Intelligence Oversight Panel, struck a deal with the White House that would assure that Congress's probe into Iran-Contra is "full of sound and fury"—and little else.

According to some well-placed sources, Bush's biggest problems may derive from some of the Iran-Contra principals who find themselves hung out to dry, particularly in the wake of Ollie North's conviction. These sources report that Adm. John Poindexter, among others, is thoroughly disgusted with President Bush's "wimp act," and no longer feels any bonds of loyalty to the sinking ship of state. Poindexter, first as a senior aide on the NSC and later as national security adviser, had daily access to both Reagan and Bush—unlike North, who only had a handful of face-to-face meetings with the President, always in the company of others. The new flood of documents and proffers that can be expected to surface in the Poindexter trial, not to mention those of Secord and Hakim, represent new headaches for the administration.

Outside the Washington Beltway, in a federal court in Miami, a criminal case is speeding through the pretrial discovery phase that could bust open another exposed flank for the Iran-Contra gang. Jack Terrell, Tom Posey, and other assets of Oliver North's "Enterprise" who helped in the Contra supply operations, are charged with violating the Neutrality Act by training mercenaries and providing lethal aid to the Contras. According to observers, police and FBI records have already been surfaced in the case, which shows that the FBI Foreign Counterintelligence Unit, under the auspices of Deputy Director Oliver Revell, was systematically covering up the involvement of key Contra arms suppliers in cocaine trafficking as early as 1984.

FBI official Revell was reportedly a major target of defense attorneys during the Oliver North trial. However, tapes and documents sought by Brendan Sullivan in an effort to show that Reagan administration higher-ups were fully aware of North's Iran and Contra efforts, were suppressed by Judge Gerhard Gesel. Those documents reportedly showed that as late as 1986, Revell was personally coordinating a major missile purchase through the Israelis for the Khomeini regime in Iran. Why would an FBI official be involved in overseeing an arms-for-hostages deal with Khomeini? The answer lies in Revell's extracurricular activities on behalf of the "Enterprise"—an important piece of the Iran-Contra puzzle that has yet to be fully explored.

The Revell angle could be probed by any of the seven congressional committees preparing to reopen aspects of the flawed Irangate investigation, particularly in light of the FBI's role in screening documents in Oliver North's files for both the Congress and the staff of Special Prosecutor Lawrence Walsh. In the new climate of super-ethics in government, Revell's handling of documents that likely implicated him in some of the very crimes for which North, Poindexter, and the others were indicted, could very well emerge as one of the biggest scandals of the entire sordid affair.

Already cognizant of the Revell liability, Attorney General Richard Thornburgh reportedly called FBI Director William Sessions onto the carpet in March for allowing Revell to continue to ride roughshod over the bureau. In April, Sessions quietly passed over Revell and another top FBI official, John Otto, in appointing his new executive deputy. Revell is reportedly now looking for outside employment. While his departure might ease the blowback on the FBI as the scandal unfolds, it puts Revell, whose Abscam and Brilab capers set a precedent for what has been called "creative extortion," in a position where he could bring down some top Bush people.

The case of Don Gregg

As we go to press, confirmation hearings for Bush's vice presidential national security aide Donald Gregg, the nominee as ambassador to South Korea, are scheduled for May 12. A career CIA official who worked closely with William Colby and Theodore Shackley, served in the Carter National Security Council staff during the Khomeini and Sandinista revolutions, and has been accused of involvement with the Medellín Cartel during the Iran-Contra events, Gregg has been targeted by some Democratic senators as a prime candidate for grilling on President Bush's role in the Iran arms dealings. Rep. Lee Hamilton (D-Ind.) told reporters in early May that he finds it impossible to believe that Bush was "outside the loop" on Irangate, inasmuch as detailed notes exist of a summer 1985 meeting between Bush and the late Israeli government official Amiram Nir, in which Nir provided a blow-by-blow description of the arms-for-hostages dealings with Iran.

Many political factions committed to the cleanout of the intelligence community following the wild excesses of the Casey era are particularly disturbed that Gregg was not sent packing by Bush. Gregg is seen as a continuity of the Shackley crowd from Reagan to Bush, and some institutional factions would rather see Bush go down the tubes than see the Shackley underworld reemerge as a powerful force within U.S. intelligence.

Warlords

The biggest flaw in President Bush's overly rosy prognosis of the Iran-Contra scandal centers, however, on another matter altogether. The President thought he had hammered out bipartisan deals on a range of issues from Central America to the savings and loan bailout. Very rapidly those deals began to break down, beginning with the altered terms of the \$150 billion S&Ls payout. So long as there is no fundamental shift in monetary and economic policy coming out of the White House, the precarious state of the economy will breed an inherent instability.

Politically, that instability has manifested itself in an outbreak of warfare among rival regional financial and political interests, which one observer has likened to a war among street gangs. For the moment, that brawl appears to be most concentrated in the South, where Atlanta and Houston/Dallas-based rival interests, reflecting the Carter and Bush forces approximately, have been battling it out for months. First, Georgia Sen. Sam Nunn (D) brought down Texas Republican John Tower from his perch at the Pentagon. Next, Georgian Rep. Newt Gingrich (R) pilloried Texas Sen. Jim Wright (D). Where this fight will ultimately lead is unpredictable. However, with the muscle of the Trilateral Commission behind the Atlanta crowd to a large extent, nothing can be excluded.

Under these circumstances, analogies to Watergate inevitably emerge. In Watergate, a confluence of forces representing different shades of the American political spectrum—from the Kennedy machine to the *Washington Post* to the CIA—joined to bring down Richard Nixon. No historian to date has ever accused the Watergaters of converging on common political objectives and motives.

One issue that clearly did bind all the differing elements in the Watergate coalition, however, was the role of Henry Kissinger. The more Kissinger's grip tightened around Nixon, the more forces rallied to the "Get Nixon" banner.

President Bush would do well to heed the lessons of recent history. He should dump not only Kissinger and his cronies, but all the other excess baggage that he brought into the White House from the Reagan-era Iran-Contra circus. He should then remind the American people, in the course of wiping the slate clean, that the Reagan administration would never have gotten embroiled in the Iran-Contra affair if the Trilateral-run Carter administration had not installed Khomieni and the Sandinistas in the first place.

Interview: Lyndon H. LaRouche, Jr.

Washington bunker like Adolf Hitler after

Mr. LaRouche was interviewed by EIR Editor Nora Hamerman on May 1. Since Jan. 27, he has been a political prisoner in the Alexandria, Virginia Detention Center.

EIR: The first question I would like to ask is for your thoughts on the developments around "cold" fusion.

LaRouche: Well, I've said in a couple of places that we have to be very careful about this. I've compared this to the case of so-called high-temperature superconductivity. And it is obvious when I went through what the experiments were, for example in Italy, by Olzi and others, that it was not superconductivity and it couldn't be. What it did was produce an *effect*, which is equivalent, as an effect, an external effect, to what would have been the case *if* there were superconductivity involved.

But the internal process, the internal mechanisms are not superconductive. As a matter of fact, the ideal superconductive device is one that does not conduct at all! Doesn't move a single electron! There are other things involved. Therefore, you had a device that takes a good deal of skill to make these things work at present, but it produces an effect. The engineers are quite happy when they get a workable bit of material, that produces an effect very much as if it were a superconductive device. They get the flow of electrons they are looking for and they are quite happy. They are not too much worried about what goes on in terms of theoretical physics inside the process—as long as it works. Whereas the Italian physicists were in an absolute state of dismay because what this does is throw into a cocked hat, the prevailing theoretical physics.

In the case of so-called cold fusion, I think there is little doubt that there is fusion occurring, either helium-3 or helium-4 output rather than a neutron [produced]. Everyone seems to agree except for a few dissenters, who apparently, like those who say they did not find any neutrons, but did they