

## Kissinger Watch by M.T. Upharsin

### Rep. Gonzalez probes Kissinger Associates

The House Banking Committee, chaired by Rep. Henry B. Gonzalez (D-Tex.), in its ongoing hearings on the Bank of Credit and Commerce International (BCCI), has begun to grill members of the global influence-peddling firm Kissinger Associates, Inc., on what they knew of the bank's dirty operations and on its connections to the equally dirty Banca Nazionale del Lavoro (BNL).

The BCCI was shut down worldwide in July because it functioned as an intelligence operation involved in fraud, bribery, arms and drug trafficking. BNL was shut down by the Italian government this past spring for financial irregularities, including the indictment of the top executives of its branch in Atlanta, Georgia for \$3-4 billion in allegedly illegal loans to Iraq.

In the Banking Committee's hearings on Sept. 11 and 13, it emerged that BNL and BCCI were extensively interlocked, involving large interbank transfers and overlapping boards through the Swiss subsidiaries of the two banks.

This is where Henry Kissinger comes in.

On April 25, 1991, Gonzalez had made a statement to Congress "that he had found several links between former Secretary of State Henry Kissinger, Deputy Secretary of State Lawrence Eagleburger, and National Security Council director Brent Scowcroft and the Banca Nazionale del Lavoro," according to a press release from Gonzalez's office.

The current hearings took up from that point. According to one source, the first to be queried was Kissinger

Associates' chief economist, Alan Stoga, who had traveled with a delegation of the U.S.-Iraq Business Forum to Baghdad for meetings with Saddam Hussein and other Iraqi officials in 1989. Although Stoga reportedly told the congressional investigators that he had just gone along on the junket to see the sights, Business Forum documents show that the delegation told the Iraqis that they would be cut off from credits unless they surrendered their vast oil reserves to the Six Sisters and "privatized" other raw materials like bauxite.

Stoga's testimony prompted the Banking Committee chairman to write a letter to Kissinger, dated Aug. 1, 1991, that raised seven questions. These ranged from what Kissinger, as a member of BNL's International Policy Board, knew of BNL Atlanta's loans to Iraq; to whether Stoga was an official representative of Kissinger's firm during his Business Forum junket to Baghdad. Gonzalez also asked about any financial ties between Kissinger Associates, Inc. and the U.S.-Iraq Business Forum, Business Forum chairman Robert Abboud, the BNL, the BCCI, and the BCCI-controlled First American Bank. Finally, Representative Gonzalez asked Kissinger whether Brent Scowcroft and Lawrence Eagleburger, when they were respectively vice chairman and president of Henry's firm, had had dealings with any of these institutions.

Sources in Kissinger's office say that he "definitely replied" to Gonzalez's letter. A well-informed congressional source confirms this, but adds that Kissinger seemingly gave minimal facts in response, to avoid the possibility of obstruction of Congress charges. But, the source indicated that certain facts from the response will start to point the BNL-BCCI scandal toward the White House.

### Criminal implications

The Italian government closed the BNL, in which it had a 70% stake, not only because of the Atlanta indictments, but also for a host of unspoken reasons that include BNL's being implicated in the "Bulgarian Connection" to the 1981 Mehmet Ali Agca assassination attempt against Pope John Paul II.

In his April 25, 1991 statement, Gonzalez said that Kissinger had remained a member of the international board of policy of BNL until late March 1991. Further, his associate, Lawrence Eagleburger, had in 1986 helped found a branch of the largest Yugoslavian bank, Ljubljanska Banka, known as LBS Bank of New York. Citing a report from the Federal Reserve Board, Gonzalez noted that "BNL fueled a significant amount of LBS's growth in the U.S. with 20% to 25% of LBS's business from BNL."

Throughout the Senate Foreign Relations Committee hearings which led to Eagleburger's confirmation as deputy secretary of state, LBS Bank and several of Eagleburger's fellow board members were being tried—and convicted—by the Philadelphia U.S. Attorney on money-laundering charges.

However, Eagleburger's link to all of this was never brought out by the Philadelphia prosecution team, by the FBI's Washington Metropolitan Field team that did Eagleburger's background check for the Senate, or by members of the Senate Foreign Relations Committee that passed favorably upon Eagleburger's confirmation. What the House Banking Committee chairman has since stated, is that Eagleburger's LBS Bank had major dealings with exactly those BNL officials who were themselves subsequently indicted for banking irregularities.