

# The Irangate scandal: unanswered questions

by Jeffrey Steinberg

In November of 1986, within days of the breaking of Iran-gate, *EIR* Contributing Editor Lyndon H. LaRouche, Jr. wrote that the scandal, which would shake the Reagan presidency throughout 1987, had been likely triggered by circles in Washington who recognized that the President was falling

under the sway of a "secret government" bent on making a treasonous deal with Moscow.

Citing President Reagan's Daniloff-Zakharov "no-swap swap," the subsequent David Jacobson "no-deal hostage deal," Reagan's near-disaster performance at Reykjavik, and the Reagan Justice Department's Oct. 6, 1986 raid against the headquarters of several organizations associated with LaRouche, he forecast that the full airing of all the dirty laundry surrounding the "secret government" would profoundly affect every facet of American policymaking. A cover-up of any aspect of the scandal would be far more harmful than most observers were prepared to recognize.

In April 1987, *EIR* published a 350-page special report, "Project Democracy: the 'parallel government' behind the Iran-Contra affair." Written before the congressional panels had subpoenaed their first witnesses, the *EIR* report revealed that a congressional cover-up of the scandal had already been set into motion through the appointment of complicit individ-

## NDPC policy impact grows in deepening U.S. crisis

by Warren J. Hamerman

During 1987, as the U.S. government floundered in the face of crisis after crisis, the National Democratic Policy Committee—the multi-candidate political action committee of the LaRouche wing of the Democratic Party—dramatically increased its policy interventions.

One of the best reflections of this activity was testimony presented to the Senate and House of Representatives in Washington, D.C., addressing a wide range of areas: economics, trade, AIDS, war on drugs, transportation, space exploration and Mars colonization, water management, and strategic affairs.

Within a week of the Black Monday stock market crash on Oct. 19, the NDPC had sent to publication a 32-page pamphlet entitled: *Solving the Crash of 1987-88; Emergency Action Plan to Save the U.S. Economy*. The pamphlet was printed in a first run of 50,000 copies and distributed throughout the nation as well as in Washington, D.C.

### Testimony before Congress

The chronology of 1987 testimonies by the NDPC before the U.S. Congress follows:

**Feb. 4:** Written testimony to Senate Finance Committee on trade policy. **March 4:** Written testimony to House Ways and Means Committee on trade policy. Both state-

ments included excerpts from Lyndon LaRouche's papers "The 'New American Century' Doctrine: LaRouche's Challenge to Moscow," and the "Proposed Legislation for State Memorializations to the Federal Government on Emergency Economic Measures."

**March 24:** Written testimony to Senate Foreign Relations and House Foreign Affairs Committees urging that the National Endowment for Democracy be investigated and that funding be cut off.

**March 24:** Written testimony to Senate Appropriations Subcommittee on Energy and Water. **April 1:** Oral and written testimony to the House Appropriations Subcommittee on Energy and Water. Both included discussion of the projects proposed under the North American Water and Power Alliance plan, and fusion energy, and commented on President Reagan's mistaken veto of the highway bill.

**March 25:** Written testimony to House Appropriations Subcommittee on Agriculture. **April 7:** Oral and written testimony to Senate Appropriations Subcommittee on Agriculture. Both statements included LaRouche's policy paper, "Keep the Local Banks Functioning."

**April 2:** Written testimony to House Appropriations Treasury, Postal Service, and General Government subcommittee. **April 10:** Written testimony to Senate Appropriations Treasury, Postal Service and General Government subcommittee. Both testimonies called for a serious war on drugs and analyzed why Nancy Reagan's so-called war on drugs was getting nowhere.

**April 4:** Oral and written testimony to the House Appropriations Commerce, Justice, State, and the Judiciary subcommittee. **April 5:** Written testimony to the Senate Appropriations Commerce, Justice, State, and the Judi-

uals to key positions with the investigative panels. Chief among them was Arthur Liman, general counsel for the Senate Irangate panel. *EIR*, alone among U.S. news agencies, documented Liman's nearly two-decade association with Willard Zucker, the general manager of CSF, the Swiss financial company that handled the money-laundering for Lt. Col. Oliver North's and CIA director William Casey's operations officers, Gen. Richard Secord and Albert Hakim. The Liman-Zucker association ran through fugitive drug financier Robert Vesco, for whom Zucker initially created CSF in 1970 while Liman was handling Vesco's personal legal affairs.

Backing up Liman was assistant general counsel to the Senate panel, Joel Lisker, an Israeli intelligence-linked fixture around Washington who, as a Justice Department official during the Carter administration, had blocked the prosecution of the President's brother, Billy Carter, for failing to register as a Libyan agent. One of Lisker's contributions to the

congressional panel's cover-up was his suppression of evidence that surfaced in Scandinavia, showing East bloc complicity in funneling arms to both the Khomeini regime and the Contra forces.

The Irangate affair, while no longer grabbing media headlines, remains the subject of a behind-the-scenes brawl. While the congressional panel's final 690-page report, issued in November, fulfilled the *EIR* cover-up warning of April, a special prosecutor Lawrence Walsh's staff continues to plow through documents, including Swiss bank records, and to call witnesses. It is widely expected that Walsh will hand down indictments shortly after the New Year. While the main targets are North, Secord, Hakim, and former National Security Adviser Adm. John Poindexter, sources close to the probe have told *EIR* that as many as 40 government officials and private citizens tied to the "secret government" may face charges ranging from tax violations to obstruction of justice and perjury.

ciary subcommittee. Both testimonies attacked the National Endowment for Democracy as blocking the war on drugs and included excerpts of Lyndon LaRouche's introduction to an *EIR Special Report*, entitled, "The Key to 'Irangate,'" as well as another essay entitled, "Cut the Allotment for Defense Procurement Fraud."

**April 10:** Oral and written testimony to the House Appropriations Foreign Operations subcommittee. Included the following policy papers—"Malthusianism Is Genocide," and "Export Goods, Not Money"; also included a discussion of French Prime Minister Jacques Chirac's call for a Marshall Plan for the Africa. **July 30:** Oral and written testimony to the Senate Appropriations Foreign Operations Subcommittee, same as above.

**April 24:** Written testimony to House Appropriations subcommittee on Transportation. **May 14:** Written testimony to Senate Appropriations Subcommittee on Transportation.

**April 28:** Oral and written testimony to House Appropriations HUD and Independent Agencies Subcommittee, on NASA and a proposed 40-year program to colonize Mars. **May 8:** Oral and written testimony to Senate Appropriations HUD and Independent Agencies Subcommittee, on Mars colonization.

**April 30 and May 4:** Oral and written testimony on AIDS policy by Warren Hamerman to House and Senate, respectively, Appropriations Labor, Health and Human Services subcommittees. Placed on the record Lyndon LaRouche's statement, "AIDS will Change the World's Economy, Drastically."

**April 30:** Oral and written testimonies to Appropriations Defense subcommittees of both House and Senate. Both included a statement by Lyndon LaRouche entitled,

"Sen. Sam Nunn's Offer of U.S. Surrender."

**July 14:** Oral and written testimony to the House Subcommittee on Elections opposing proposed campaign finance reform. The testimony included memorandum by Attorney Daniel Alcorn of Arlington, Va. in *USA vs. The LaRouche Campaign, et al.* to demonstrate current abuses of Federal Election Commission.

The NDPC was founded in the closing hours of the 1980 Democratic Convention by Lyndon H. LaRouche, Jr., former Manhattan Borough President Hulan Jack, and other Democrats who opposed the renomination of the Carter-Mondale ticket. It is a multi-candidate political action committee which was registered with the Federal Election Commission in August 1980. I have served as its chairman since its inception. Lyndon H. LaRouche, Jr. is chairman emeritus of its Policy Advisory Council.

Among the founders of the NDPC were "LaRouche Democrats," "FDR Democrats," "Jackson Democrats," "Kennedy Democrats," civil rights leaders, trade union leaders, farm leaders, and scientists.

In 1984, the NDPC opposed the Mondale-Ferraro ticket's appeasement policies toward the Soviet Union. Over the past three years the NDPC has coordinated a movement of over 3,000 candidates for federal, state, local, and party office and these candidates have received an aggregate of more than 3 million votes. In March 1986 the NDPC became internationally famous when two candidates it supported—Mark Fairchild and Janice Hart—were elected in the statewide Democratic Party primary in Illinois to become the candidates for lieutenant governor and secretary of state. The two LaRouche Democrats received more than 1 million votes, and increased their vote in the general election.

## The bigger picture

However, the publicly identified Irangate culprits were merely players in a bigger East-West game that began in spring 1983, when Yuri Andropov proposed a “New Yalta” deal to Washington to carve the world into new spheres of influence. That strategic back-channel deal is the aspect of the Irangate affair that has been most extravagantly covered up.

First, the Irangate affair was defined as soap opera with highly partisan overtones. In fact, the Iran-Contra initiative was a bipartisan arrangement worked out between leading representatives of the Democratic and Republican National Committees, representatives of the Executive Branch and the Congress, and private sector figures from the financial community and organized labor in particular. The instrument of this arrangement was the National Endowment for Democracy, which Oliver North called “Project Democracy.” The NED was described by its authors as a “quango,” or “a quasi-autonomous non-government organization”—but it was mainly funded by the Congress and was officially administered by the U.S. Information Agency, a branch of the Department of State.

When the Irangate hearings took to the TV airwaves in the late spring, Ollie North was briefly catapulted into soap opera stardom. No mention of the NED-Project Democracy link to the secret government found its way into the hearings or the pages of the final report.

Even more blatant was the mad scramble to protect the apparatus of Leo Cherne, Theodore Shackley, Roy Godson, and Prof. John Norton Moore from being dragged into the public spotlight. This collection of intelligence community slicksters was responsible for selling the “secret government” structure to the Reagan inner circles. While Cherne and Godson come from Bukharinite circles historically tied to the Soviets’ most successful intelligence penetration of the West, known as The Trust, University of Virginia law professor Moore was obsessed with the idea that the only way to combat the Soviet Union was by creating a secret police-state apparatus—an American KGB-GRU. Moore was instrumental in codifying this idea in the form of Executive Order 12333, signed into existence by President Reagan on Dec. 4, 1981. E.O. 12333 gave broad, extralegal authority to the FBI, the CIA, and other elements of the intelligence community in dealing with anything relating to espionage, terrorism, and drug trafficking.

For the late Director of Central Intelligence Bill Casey, anything that put the boys in the intelligence community back in business was all right by him. If some of his political and financier friends got the opportunity to steal on the side, as a by-product of the new, generous intelligence guidelines that opened up the intelligence community to private citizens, all the better.

Among a scant 30 pages of appended material in the 690-page congressional report, are 20 pages devoted to “correct-

ing” the impression that Prof. John Norton Moore had personally advised Ollie North on the legality of bypassing the Boland Amendment—which forbade covert aid to the Contras without congressional approval—by running the Contra aid program out of the NSC basement.

Theodore Shackley, the former Deputy Director of Operations of the CIA, is one of the most corrupt figures to pass through the U.S. intelligence community in the postwar period. While little if any evidence against Shackley personally has surfaced, most of the key players from the CIA side have been identified with his apparatus.

## The Soviet angle: the real cover-up

Of all the unresolved elements, the most strategically central is the Soviet role. While many Americans, if they still remember the hearings, view Ollie North as a perhaps misguided patriot, how would the American people respond to evidence that the KGB was North, Casey, and Secord’s partner in the arms deals? Soviet, Polish, and East German arms were the lifeblood of the Nicaraguan Contras! Gunpowder and arms destined for Khomeini’s terrorist legions, originating in Western Europe, often passed through the Soviet bloc en route to Teheran.

Some of these facts briefly saw the light of day during the hearings, only to be instantly suppressed. New and startling facts began spilling out in continental Western Europe at year’s end, showing the depth of Soviet and Israeli involvement in the Iran-Contra business. The case of Malmö, Sweden based arms trafficker Karl Eric Schmitz has raised the possibility that Swedish Prime Minister Olof Palme may have been assassinated in February 1986 specifically because he was about to shut down the East-West arms funnel into Iran. Scarcely a word about this European “Irangate” story has been printed in the American media, indicating the depth of commitment to keeping the Soviet angle out of it.

## The battle continues

Thirteen months after LaRouche’s initial assessment of the Irangate affair as an effort to clean out a cancerous “secret government” of Moscow appeasers and dupes, where does that effort now stand?

At the CIA, with the death of William Casey and the now ongoing “retirements” of key CIA players in Irangate, such as Deputy Director for Operations Clair George, Counterterrorism chief Duane Claridge, and Central America task force head Allan Fares, the lingering influence of the Ted Shackley circles inside the agency has diminished and will continue to diminish. This lays the framework for rebuilding U.S. intelligence along lines consistent with the role of the United States as both a global power and a republic governed by rule of law. The recent appointment by CIA director William Webster of Richard Stolz, a retired 30-year agency veteran and Soviet specialist, as the replacement for Clair George, bodes well for this process.