

EIR: The U.S. government is reportedly considering the dismemberment of Iraq following a war. According to one plan, the Iraqi province of Mosul would be handed over to Turkey, as its reward for working with the Anglo-Americans. Others say that even the talk of dismembering Iraq may gravely threaten Turkey by promoting Kurdish separatism in Turkey and not just Iraq. What is your view?

Inonu: Turkey has no interest in any dismembering of Iraq. We have no claims on any territory outside our present national borders. The only way to achieve permanent peace in the Middle East is to forget all historical border disputes and to declare complete respect for national borders of other countries.

EIR: U.S. Secretary of State James Baker said in September that the Bush administration is considering forming a "new security arrangement" in the region modeled on NATO or on the old CENTO pact. Some Pentagon circles have called for stationing U.S. ground troops, formerly deployed in Western Europe, in Turkey. What do you think of these proposals?

Inonu: For the Middle East, the example to follow is not a new NATO or CENTO, but the Conference on Security and Cooperation in Europe. This should be the way for the future of the Middle East as well as of all other regions of our globe.

EIR: You have recently made a trip to Iraq and other states in the Gulf, as well as Syria. What is your assessment of the best way to avoid war in the region?

Inonu: The way to avoid a new war is to push steadfastly for the implementation of the United Nations Security Council resolutions, first for Kuwait and then for the other problem areas; to use diplomatic and economic pressure and to make it clear that the United Nations is interested in establishing a rule of international law valid for all states. There should be no impatience in this endeavor. A rule of law will be accepted in the end by all the states, provided that the U.N. maintains its present unity.

'From the prison in which the politician's career expires, the influence of the statesman is raised toward the summits of his life's providential course. Since Solon, the Socratic method has become the mark of the great Western statesman. Without the reemergence of that leadership, our imperiled civilization will not survive this century's waning years.'

—Lyndon H. LaRouche, Jr.

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Israel

Dotan scandal linked to Pollard spy ring

by Jeffrey Steinberg

An American attorney now living in Israel who was a central figure in the Jonathan Jay Pollard affair and other Israeli scientific espionage operations against the United States, has been indicted in Israel for his role in a multimillion-dollar skimming operation led by the Israeli Air Force's chief procurement officer. The attorney, Harold Katz, is one of 12 people indicted along with Brig. Gen. Rami Dotan last November, in what has been described as the biggest corruption scandal in the history of Israel. Former Air Force chief Ezer Weitzman labeled Dotan a "traitor" and described the scandal as more damaging to Israel's Air Force than any attack inflicted by an Arab enemy.

The involvement of Katz in the Dotan affair lends further credence to reports published by *EIR* in December 1990 that General Dotan, now incarcerated, was part of Ariel Sharon and "Dirty Rafi" Eytan's Israeli mafia; and that the Dotan procurement-theft ring was merely one component of a multi-billion-dollar crime scheme to finance a Sharon drive to take control of the Israeli government and launch a new Arab-Israeli war.

Probe of Dotan scandal widens

According to the Dec. 29, 1990 international edition of the *Jerusalem Post*, both American and Israeli authorities are widening the probe into the Dotan scandal. A week later, the *Jerusalem Post* reported that a Montreal, Canada scrap-metal dealer named Willy Rostoker, a longtime associate of Katz, had been recruited into the money-laundering scheme in 1988 and had facilitated the washing of stolen funds through major Canadian banks. Former Mossad officer Victor Ostrovsky, who holds Canadian-Israeli dual citizenship, in his 1990 book *By Way of Deception*, emphasized the importance of Canadian banks and business fronts in Israeli espionage. (See *EIR*, Oct. 19, 1990, "Some ugly truths about the ADL revealed" for a review of Ostrovsky's book.)

If the United States and Israel do proceed with a broader investigation, a useful starting point would be Katz, who represents a critical bridge between the Dotan ring and the broader Israeli espionage and crime structure. *EIR*'s June 3,

1988 issue included an article by Joseph Brewda entitled "The network left behind after Jonathan Jay Pollard's arrest," which provided a detailed profile of Katz and the spy ring which he helped establish within the Pentagon and the American scientific community.

Not surprisingly, the Katz file leads directly back to former Secretary of State Henry A. Kissinger, who today sits on the board of the Anglo-American Hollinger Corp., the publishing conglomerate that owns the *Jerusalem Post*, the London *Daily Telegraph*, and other newspapers that have been hawking a Gulf war. Since Hollinger bought the *Jerusalem Post* in 1989, the once-moderate publication has been transformed into a mouthpiece for Israel's would-be Hitler, Ariel Sharon.

Kissinger set up bilateral fronts

In the mid-1970s, Kissinger sponsored the establishment of a string of U.S.-Israeli bilateral research and development fronts, the largest of which, the Binational Science Foundation—set up by treaty in 1973—emerged prominently in the Pollard spy scandal. In 1977, the Binational Industrial Research and Development Foundation (BIRD) and the Binational Agricultural Research and Development Foundation (BARD) were established. The basis for their creation had been laid in 1975 in talks sponsored by Kissinger.

BIRD was ostensibly established to foster joint research and development projects, especially in areas of advanced technology with military applications. As the Pollard affair later proved, BIRD provided a perfect cover for Israeli espionage inside the United States.

The attorney of record for BIRD, according to official documents, is Harold Katz, who became a lawyer for the Israeli Defense Ministry following his departure from the Boston area in the 1970s.

Other BIRD directors include:

- Meir Amit, the former chief of the Mossad;
- Yuval Ne'eman, minister of science and technology in a succession of Likud governments and a key figure in Israeli technical spying;
- Dan Tolkowsky, the former chief of Israel's Air Force and the head of Israel's largest arms exporting firm, Elron-Elbit;
- Rafi Eytan, the former chief of LEKEM (the Foreign Ministry section handling scientific espionage), and controller of the Pollard spy operation;
- Itzhak Ya'akov, the New York City-based alleged head of LEKEM in the United States.

Katz had a hand in the finances for the Pollard spy operation. The Washington, D.C. apartment where Israeli embassy officials copied thousands of pages of classified Pentagon papers pilfered by Pollard was rented in Katz's name. Katz's bank account at the Bank of Boston was the LEKEM slush fund through which Pollard received his payoffs. In 1984, at

the height of the Pollard perfidy, the current governor of Massachusetts, William Weld—then the U.S. Attorney in Boston—intervened to cover up a \$1.6 billion money-laundering operation between the Bank of Boston, *Crédit Suisse*, and other banks. While the majority of the laundered funds was reportedly illegal drug profits, sources told *EIR* at the time that some of the money was being laundered by American and Israeli intelligence networks.

Corrupt U.S. officials

One of the reasons that the probes of the Bank of Boston scandal and the Pollard affair have not yet gone very far, is that a number of top officials of the U.S. Department of Justice are deeply implicated in the corruption. Weld wound up in September 1986 in the powerful post of Assistant Attorney General in charge of the Criminal Division. In January 1986, shortly after the arrest of Pollard, Arnold Burns was made Deputy Assistant Attorney General. By the summer of 1986, he was Attorney General Edwin Meese's number-two man in the department.

Burns was personally involved in the BIRD operation in collusion with LEKEM paymaster Katz. Just prior to assuming his post in the Meese Department of Justice, Burns had set up 15 illegal offshore tax shelters, all of which purported to be R&D investment portfolios in Israeli research firms. According to a probe by the Department of Justice tax division, the money never went to the alleged research programs, but, rather, remained in Caribbean banks. A total of more than \$40 million in untaxed funds was washed by Burns and his Israel-based law partner Israel Rosen, according to reports issued by then Department of Justice tax division chief Roger Olson.

Burns's offshore tax shelters were set up as part of the treaty agreements which established BIRD. Burns dispensed with the scandal by having Olson bounced from the DoJ. Weld declined to prosecute Burns and Rosen for their roles in the scheme.

Burns's appointment virtually shut down any serious probe of the broader Israeli espionage and money-laundering operations in America. Prior to his move to Washington, Burns had been a director of the Anti-Defamation League's (ADL) Sterling National Bank, a notorious organized crime and Mossad front.

A serious probe at this time would focus on Katz, Burns, the other BIRD officials, and would search for common threads in such American-Israeli arms procurement scandals as Col. Yair Klein's arming and training of the Colombian Medellín Cartel in collusion with the U.S. State Department and CIA.

While prospects for a serious probe in either Washington or Tel Aviv are remote, such an effort would deliver a potentially fatal blow to Ariel Sharon's mafia and its ADL allies, and might also prove essential in preventing a new Mideast war.