

# A dirty little war is brewing over Bush's 'October Surprise'

by Jeffrey Steinberg

After having been thoroughly discredited years ago, false charges have once again surfaced linking associates of jailed American statesman Lyndon LaRouche to the Feb. 28, 1986 assassination of Swedish Prime Minister Olof Palme. This time, the revived slanders may be part of a Bush White House damage-control operation aimed at blunting a growing pattern of stories linking the President to some of the most serious political crimes of the past decade.

On April 15, former Carter administration national security aide Gary Sick revived the long-festering "October Surprise" scandal with a lengthy report in the *New York Times* cataloguing evidence that the 1980 Reagan-Bush election campaign blocked the release of American hostages in Teheran until after the presidential elections. Since the release of that story, Bush has come under fire from a wide range of news outlets and political figures.

A package of scandals involving the President is now back on the front pages of the international press, and President Bush is reportedly very unhappy. According to one Washington, D.C. source, the White House became so distressed about the efforts of the *Financial Times* to unearth dirt on the President, that Henry Kissinger was quietly asked to go to London to pressure his friends at Chatham House (headquarters of the Royal Institute of International Affairs) to slow down the *Financial Times's* effort.

A few days later, the *Financial Times* published a story linking Kissinger to the Banca Nazionale del Lavoro (BNL), the Atlanta branch of a large Italian bank that allegedly funneled \$4 billion in unsecured loans to the Iraqi government in the late 1980s. Kissinger admitted that he served on the international advisory board of BNL up through Feb. 22, 1991, although he denied that he or his consulting firm profited from his affiliation. Press sources say that Kissinger received an annual retainer from the bank of \$250,000.

## ADL slander revived

In the midst of this uproar, the April 26 issue of the London *Guardian*, in an article titled "Palme Death Lead," cited recent stories in the Swedish and French media accusing the "European Workers Party" (EAP) of having hired a

French mercenary to assassinate Swedish Prime Minister Palme. The various versions of the story linked the EAP (which is actually called the European Labor Party, and which was founded by Swedish associates of LaRouche) to a "transatlantic right-wing plot" to eliminate prominent European politicians. Other seemingly contradictory versions of the same basic story linked the Palme assassin to the CIA's cold war paramilitary program "Operation Gladio," and to associates of George Bush in the Freemasonic lodge called Propaganda 2.

The revival of an even more oddball version of an already discredited Anti-Defamation League slander against LaRouche only makes sense now from the standpoint of the "October Surprise" allegations against President Bush.

While the *New York Times*, ABC-TV "Nightline's" Ted Koppel, and the *Financial Times* have all chosen this moment to resurface the 1980 election scandal, many political insiders in Washington, New York, and European capitals are aware of the fact that *EIR* was the first news outlet to expose the dirty deal by the Reagan-Bush camp with the ayatollahs in Teheran. *EIR* was also first to expose the fact that the same dealing with the Iranian terrorists had been a hallmark of the Carter administration's secret diplomacy toward West Asia as early as March 1979.

On Dec. 2, 1980, in an exclusive story headlined "Strange Diplomacy in Iran: Henry Kissinger Is Dealing With the Ayatollah Beheshti on Behalf of the U.S. Government," *EIR* wrote about a Nov. 12, 1980 secret meeting in Paris between former Secretary of State Henry Kissinger and Speaker of the Iranian Parliament Ayatollah Beheshti:

"From intelligence sources in Washington, *EIR* has learned that along with Kissinger, a number of other individuals have recently been involved in this effort, although, the source stressed, they did not have the approval of Ronald Reagan himself. The persons involved include a pro-Kissinger group drawn from Georgetown University's Center for Strategic and International Studies (CSIS), including Michael Ledeen, David Abshire, William Hyland, and others. In addition, Ledeen and former *Newsweek* chief Arnaud de Borchgrave are reported to have traveled abroad to make contacts with Khomeini's representatives.

"From information pieced together from Iranian exile sources and intelligence analysts, it appears that the pattern of cooperation between the Khomeini people and circles nominally in Reagan's camp began approximately six to eight weeks ago, at the height of President Carter's efforts to secure an arms-for-hostages deal with Teheran.

"Carter's failure to secure that deal, which a number of observers believe cost him the Nov. 4 election, apparently resulted from an intervention in Teheran by pro-Reagan British intelligence circles and the Kissinger faction. 'Remember the walkout of a certain hardline faction of the Iranian clergy?' said one source. 'That was no accident. It was orchestrated with the Fedayeen-e Islam by the Reagan people.' The walkout postponed the Iranian majlis's (parliament) acceptance of the Carter offer until it was too late to affect the outcome of the election."

### Jimmy Carter's signal

On April 26, 1991, former President Jimmy Carter told the *Wall Street Journal* that he found the October Surprise allegations "almost nauseating" and wanted a full inquiry immediately. Sources close to the Democratic National Committee had previously told *EIR* that such a statement by Carter would be a signal for congressional Democrats to push hard for the October Surprise probe.

By April 30, Speaker of the House Thomas Foley (D-Wash.) was acknowledging that he was "exploring informally" the mechanisms for a congressional probe of the November 1980 election scandal. House Judiciary Committee chairman Jack Brooks (D-Tex.) is considering a probe, and on May 2, House Foreign Affairs subcommittee chairmen met with Gary Sick to review evidence that he had compiled. Rep. Butler Derrick (D-S.C.) has begun circulating a petition among fellow congressmen calling on Speaker Foley to appoint a "nonpartisan commission of private citizens" to investigate. That idea was originally floated in a *New York Times* column by former Carter State Department official Leslie Gelb on April 16, 1991.

The situation has not yet reached anywhere near the proportions of the Watergate scandal that ousted President Nixon. However, the knives are out, and Bush is a man with many skeletons in his closet. The targeting of LaRouche on the issue of the Palme assassination—whether or not the libel was commissioned by the President's men—may be a signal that the real scandal that has White House aides and the President losing sleep is not the events of October 1980, but rather the often bloody coverup of the later scandals of the Iran-Contra debacle. In the case of Irangate—including the Irangate-motivated Palme murder—LaRouche and *EIR* were way out in front of the story, and anyone who wants to get to the bottom of the foreign policy disasters of the 1980s would do well to study the *EIR* archives.

Maybe that's what they are doing at the Old Executive Office Building tonight.

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## Book Review

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### Post-industrial Buffalo: Who killed a great city?

by Denise Ham

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#### **City on the Lake, History and the Challenge of Change in Buffalo, New York**

by Mark Goldman

Prometheus Books, Buffalo, N.Y., 1990  
324 pages, paperbound, \$15.95

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Buffalo is a case study of what went wrong with America, and Mark Goldman's book celebrates this tragedy of collapse and decay. Written as a social history, Goldman recounts the de-industrialization, de-education, and transformation of what was one of the greatest cities in America. Goldman, an insider to this process, promotes the post-industrial collapse.

Anyone trying to figure out why the United States is bankrupt today, must study the last 25 years of our bad economic policy. After the assassination of John F. Kennedy in 1963, the nation's cities went through a social upheaval. Every major industrial city in America became the hunting ground for the CIA-trained social fascists. Using the ancient method of "divide and conquer," whites were pitted against their black neighbors in the workplaces and in the schools. Applying the psychological warfare methods of the wartime Office of Strategic Services against the enemy, CIA-run think tanks did psychological profiles on U.S. cities to determine their weak points, so they could more efficiently be destroyed. No bombs were needed in this effort; instead, the job of the think tanks—Ford Foundation, RAND Corp., Rockefeller Foundation, etc.—was to figure out how to brainwash the mostly ethnic and black industrial work force, ultimately, to impose zero growth, post-industrial economics upon itself.

The most efficient method of controlling people is to prey upon their backward, pluralistic tendencies. Tavistock Institute, the premier psychological warfare/counterinsurgency outfit, took the point in 1966 in a report targeting the threat the NASA Apollo Program posed to the de-industrializers' efforts, not just because it generated a 14:1 spinoff in high-technology industries, but *because it fostered cultural and scientific optimism* in the citizenry as a whole. By Tavistock criteria, advanced technology and scientific advance-