

## Congressional Closeup by William Jones

### Gonzalez exposes Kissinger Associates in Iraqi financing

House Banking Committee chairman Rep. Henry B. Gonzalez (D-Tex.), who is investigating the U.S. branch of the Italian government-owned Banca Nazionale del Lavoro (BNL) for its role in financing military sales to Iraq, named Deputy Secretary of State Lawrence Eagleburger and National Security Adviser Brent Scowcroft as key players in the BNL scandal, in floor statements on April 25.

Utilizing material previously published by *EIR* and submitted to congressional committees during hearings on George Bush's nomination of Eagleburger to his present post, Gonzalez highlighted the ties of Eagleburger to BNL and to the Ljubljanska Banka in Yugoslavia. Both these banks were instrumental in loan arrangements to Iraq. Gonzalez also notes Kissinger's role as a paid member of the BNL Consulting Board for International Policy.

Gonzalez shows how Eagleburger and Scowcroft, through their political influence, were able to set up loans to Iraq through the Export-Import Bank, thus bypassing then-existing restrictions on exports to Iraq. Gonzalez argues that Eagleburger and Scowcroft were personally responsible for the sale of military technology to Iraq and that the policy of the Bush administration was to set up Iraq as a military power in the Mideast.

Gonzalez notes that no American firms have been charged with violations of U.S. export control laws related to Iraq, in spite of the fact that the administration has been targeting European firms for reprisals due to their trade relations with Iraq.

Obstacles to the Gonzalez investigation on the BNL scandal have been set up all along the way by the Bush administration. In a letter to Gonzalez

from Attorney General Richard Thornburgh on Sept. 26, 1990, Thornburgh warned that the BNL case is a "sensitive case with national security concerns," and claimed that the Gonzalez investigation will jeopardize alleged Justice Department investigations and prosecutions in the case. Gonzalez also notes that John Macomber, the president of Eximbank and a friend of Eagleburger, would not permit investigators from his committee to have access to the Eximbank's country risk analysis for Yugoslavia.

### LaRouche presidential bid spooks Bush Republican

Sen. Mitch McConnell (R-Ky.), one of the strongest supporters of George Bush, introduced an amendment on April 25 which would eliminate monies in the Presidential Election Campaign Fund and ostensibly provide increased funding for child nutrition programs instead. McConnell was especially perturbed by the fact that Lyndon LaRouche's last presidential campaign received over \$500,000 from the Federal Election Commission (FEC) in federal matching funds. McConnell used LaRouche as a boogeyman in order to halt presidential campaign financing.

Although he mentioned "fringe" candidate Lenora Fulani who also received FEC money, it was obvious during McConnell's remarks that his was a "Stop LaRouche" bill. "There may be a few people that have not heard of [Fulani]. Maybe they have heard of Lyndon LaRouche. He has gotten \$500,000 to run for President under this system—Lyndon LaRouche, Mr. President!" McConnell raved.

The amendment would effectively eliminate any presidential candidate

who did not have the big bucks to finance his campaign.

Sen. Bill Bradley (D-N.J.), referring to the frequent use by White Chief of Staff John Sununu of U.S. Air Force planes for personal trips, urged McConnell to change his amendment so that anyone in the Executive Branch who used a government plane to fly to a political fundraiser would have to pay the full cost of the airplane. McConnell retorted, "The issue is whether or not we want to continue to spend tax dollars on political campaigns for President of the United States; whether we want to provide money for Lyndon LaRouche and Lenora Fulani. Maybe the senator is in favor of all of those things," said McConnell, "and if he is, why not just allow a vote on the McConnell amendment?"

McConnell said public funds were a "fringe benefit for fringe candidates," labeling the money given to LaRouche and Fulani a "disgrace." As Democrats continued to propose modifications such as Bradley had proposed, McConnell finally withdrew his amendment.

### Maquiladoras scored in Senate hearing

Senators heard the sobs of a Mexican mother whose son died in a *maquiladora* factory, during hearings before the Senate Environment and Labor subcommittee on April 23. The subhuman living conditions in the *maquiladoras* are the result of policies being pushed as part of the North American Free Trade Agreement (NAFTA).

Sen. Howard Metzenbaum (D-Ohio), who chaired the hearing, told the woman, "If your son had been employed in this country, Ford would

have been in flagrant violation" of U.S. worker-safety laws, the *Philadelphia Inquirer* reported.

Sixteen-year-old Julio Cesar Urbalejo, died in a Ford Motor Co. plant in Juárez, just south of the U.S.-Mexican border. He was sent into an underground tunnel to clean wastes. He had no protective gear and no training, and while in the tunnel he got caught in a mechanical grinder which had no safety guard nor an emergency shutoff system. He earned 45¢ an hour at this plant.

Photo displays were set up in the hearing room which showed pictures of life in the *maquiladora* zone: families living in shacks made of cardboard and packing crates, children playing beside canals filled with sewage and chemicals.

Dr. Laurance N. Nickey, director of El Paso County's health district, testified that in one community just south of El Paso, 35% of the children are infected with hepatitis A by age 8, and up to 90% by age 35. Tuberculosis is occurring at double the U.S. rate.

## **AFL-CIO, Schiller Institute attack NAFTA**

Opposition to the U.S.-Mexico North American Free Trade Agreement is making itself felt, as the U.S. labor movement, spearheaded by the AFL-CIO, has been conducting an ongoing lobbying action to stop the agreement. Environmental groups are also opposing the agreement, fearing that it will lead to a further deterioration of the Mexican environment unless strict safeguards are introduced. The Schiller Institute, founded by Helga Zepp-LaRouche, is conducting a nationwide campaign, activating other organizations to oppose the agreement,

and phoning and educating congressional offices on why they should oppose it. The institute held a lobbying day on May 1 against the agreement.

The controversy stems from the administration's wish to have a "fast track" authority to negotiate a bill that can be submitted for a vote without the chance for amendment. The agreement with Mexico would allow U.S. firms to set up operations in Mexico with cheap Mexican labor, thereby forcing an overall reduction in the wage levels of U.S. workers.

The treaty would also open up Mexico to supranational looting modeled on that implemented in the United States in 1978, which allowed drug-linked banks, such as the Hongkong and Shanghai Bank, to operate freely and without oversight in the U.S. This provision was acknowledged by Deputy Assistant Secretary of the Treasury for International Monetary Affairs Barry S. Newman, in testimony before the House Banking Committee on April 24. Newman is the U.S. negotiator for the General Agreement on Tariffs and Trade (GATT) and NAFTA.

Congressional supporters of NAFTA, admitting that there will be a tough fight over the agreement, have appealed to President Bush to give assurances that U.S. jobs and employment standards, as well as environmental conditions in both countries, would be protected under the accord. Bush met with congressional leaders at the end of April, and they reportedly agreed on an "action plan letter" in which Bush would promise to take into account concerns on environmental and labor issues during negotiations on an agreement. According to the scheme, Congress will have until June 1 to stop an automatic two-year extension of the administration's "fast track" authority.

Supporting the treaty is a conglomeration of business groups, including U.S. Chamber of Commerce, the National Association of Manufacturers, and the National Foreign Trade Council, an ad hoc group of 500 leading American corporations. The Mexican government has hired a lobbying firm to run an advertising campaign to push the agreement through.

## **'Productive Triangle' presented to Congress**

Lyndon LaRouche's "Productive Triangle" proposal for the economic development of Europe as the motor of a world economic recovery, was presented to Congress by *21st Century Science & Technology* associate editor Marsha Freeman, in testimony to the Transportation Subcommittee of the House Appropriations Committee on April 30.

Freeman described LaRouche's Triangle proposal, recommending that members of the subcommittee study the proposal in order to gain a greater understanding of the importance of infrastructure and particularly transportation investments.

"By rebuilding and modernizing, and pushing forward on the frontiers of technology," Freeman told the members, "Western European nations will enable the economic revitalization of the ravaged nations of Eastern Europe."

Freeman referred to the horrendous lack of investment in U.S. infrastructure, noting that high-speed rail, and systems such as magnetically levitated trains now being commercially introduced in Europe, are long overdue in the U.S.