

warned of the drive by Wall Street and the international financial oligarchy to turn Colombia into a drug plantation. Pastrana forced General Bedoya out of the military when he made his opposition to the FARC demilitarized zone a public issue.

In a recent public statement of support for U.S. Democratic Presidential pre-candidate Lyndon LaRouche, Bedoya identified the international forces behind the drive to convert Colombia into a narco-dictatorship: "It's no accident that Richard Grasso, president of the New York Stock Exchange, is leading the absurd process of legitimizing the narco-terrorist gangs which assail Colombia. What do these bankrupt international financiers seek? Leveraging the speculative bubble with funds from the cocaine and poppy trade? Installing as Colombia's official government a merciless gang of terrorist psychopaths, dedicated to drug-trafficking and kidnapping?"

On Feb. 23, Bedoya will be holding a joint seminar/press conference with LaRouche in Washington, on the subject of "The War on Drugs and the Defense of the Sovereign Nation-State." General Bedoya's visit to Washington occurs in the midst of a heated debate on what U.S. policy toward Colombia should be. In Feb. 15 hearings on Capitol Hill, the U.S. Director of the Office of National Drug Control Policy Gen. Barry McCaffrey (ret.) argued in defense of the \$1.6 billion aid package the Clinton administration has offered the Colombian government, a large portion of which is slated to boost the Colombian military's war-fighting capability.

McCaffrey's testimony repeatedly stressed the urgency of giving the Colombian Army the wherewithal to take back the drug-producing south of the country, largely under FARC domination. Reflecting what is clearly his own view, he said: "The Colombian Army has got to get back into these places . . . and regain control, so that the police can enter in a law enforcement way, provide alternative development as well as crop eradication." Elsewhere, he stated that "cocaine, we would argue, is the heart and soul of the incredible impact that 26,000 armed people are having on Colombian democratic institutions. . . . As long as the FARC, the ELN, and the paramilitaries have this tremendous wealth, if there's no *quid pro quo*, if there's no reward and punishment, why would they talk instead of fight?"

But even as McCaffrey was arguing for stripping the narco-terrorists of their financial and political sustenance, the State Department's Madeleine Albright was enthusiastically endorsing the FARC tour of Europe as "remarkable" and "very encouraging." In testimony before the House Foreign Relations Committee, both she and her underling Peter Romero suggested that the \$1.6 billion U.S. aid package was little more than a scare tactic, the "stick" in a carrot-and-stick policy designed to prod the FARC to the negotiating table.

However, the FARC has not been prodded to the negotiating table. Instead, it is striding down a blood-red carpet, right into the halls of power.

Iran-Contra secrets strangle German CDU

by Rainer Apel

The leadership of the German Christian Democratic Union (CDU) had a turbulent session in Berlin on Feb. 15, and although it was not the first of its kind, it will be the last for numerous party leaders, including party chairman Wolfgang Schäuble, who on Feb. 16 announced his resignation as party chairman and chairman of the CDU parliamentary group. Others will follow.

The end of the Schäuble era, following close upon the political demise of former Chancellor Helmut Kohl, signifies that, beginning with the CDU, the entire political system of Germany is being destabilized.

Schäuble had maneuvered himself into more and more trouble over recent weeks, with his apparent difficulty remembering when and under what circumstances he had been in personal contact with Karlheinz Schreiber, the German-Canadian "businessman" whose charges against CDU politicians are fueling the party-financing scandal that is rocking Germany. Schreiber has prominent connections to figures in the British-American-Commonwealth oligarchy (BAC), dating back to the Iran-Contra period of the early 1980s (see especially, "BAC Cabal Exposed Behind German Scandals," *EIR*, Jan. 21, 2000; "LaRouche Defends Nation-State vs. 'Clean Hands' Subversion," *EIR*, Feb. 4, 2000). He is a fugitive from German prosecutors on a tax evasion case, and whatever he says in the numerous interviews he has granted from his present exile in Toronto, should not, under normal circumstances, be enough to cause serious trouble for a leading politician in Germany. But, Schäuble is not a politician who stands above suspicion. It is not personal, financial corruption that he can be charged with; it is political corruption.

The 'ghost' of Uwe Barschel

Having been in direct contact with Iran-Contra and BAC circles, Schäuble is vulnerable to anything that Schreiber may know or have heard about these affairs. And, advised by his prominent Canadian friends, Schreiber has chosen a strategy of making select hints that are vague enough not to tell the broader public what all of this is about, but are at the same time precise enough to send a message to people like Schäuble. For example, in an interview with the German weekly *Stern* on Feb. 10, Schreiber said that he is fed up with being "used" by German politicians, that "the whole affair for me already has a Barschel quality."

Uwe Barschel was a leading German Christian Democrat



Christian Democratic Union Chairman Wolfgang Schäuble's resignation means the end of an era. He knows which closets really contain the skeletons, but he isn't talking.

who was assassinated at the Beau Rivage Hotel in Geneva on Oct. 10, 1987, two days before he was to testify on his insider knowledge about murky arms-peddling and other matters related to the Iran-Contra affair. The ports of the northern state of Schleswig-Holstein, where Barschel had been governor during the 1980s until a few weeks before his untimely death, played a prominent role in the secret shipments of East bloc arms and other "commodities" to the drug-running Contras, among others, that Oliver North and others in the George Bush-Robert McFarlane-Richard Secord entourage had arranged with their partners in East Germany.

Like every other leading German politician, Schäuble knows that Barschel was murdered, and like most other representatives of the German political establishment, he has taken part in the official cover-up of that assassination, through a concocted story that Barschel committed suicide in Geneva, at the peak of alleged mental disarray. For more than 12 years, the German establishment has invested immense effort to suppress any serious public interest and debate about the Barschel case. And Schreiber knows people in Canada, Britain, the United States, and France, who know the truth behind the death of Uwe Barschel—maybe many do not know all of it, but some of it. Mentioning the name "Barschel" against that background, can make some people in Germany very nervous, indeed.

Baumeister's amnesia

Many in Germany have been wondering why Schäuble has been so hesitant to move against Schreiber, why he has been so defensive in his response to allegations that Schreiber made in numerous interviews during November-February. The situation became even more delicate for Schäuble, because of his dealings with Brigitte Baumeister, the former CDU party treasurer who arranged for his initial personal contact with Schreiber, by inviting the latter to a Bonn dinner of CDU fundraisers in September 1994. After that encounter, Schreiber donated 100,000 deutschemarks to the CDU.

Schäuble first denied any such contact, then "recalled" that Schreiber had given him the money the day after the Bonn dinner. Schreiber, however, insists that he gave the money to Baumeister, three weeks later. Baumeister, for her part, first claimed "amnesia" on the whole affair, saying that she could not recall exactly how the money got transferred, but recently, she has backed Schreiber's story. Now, numerous CDU politicians, some of them apparently getting in Schäuble's way, have been sacked. But, Schäuble failed to sack Baumeister. She has not backed down, and she has even been able to keep her position as CDU deputy manager in the German Parliament, through all these weeks of fierce controversy with Schäuble. Now, as Schäuble's resignation leads to an overhaul of the entire party leadership, Baumeister will also be forced out.

Is it her insider knowledge of party funding methods, from her six years as CDU party treasurer, that made her a difficult target for Schäuble? Or, rather, is it her personal involvement with arms-dealing circles? Not only has she maintained a friendly relationship with Schreiber for several years, but she has also been a very close friend of Jürgen Massmann, a top manager at Thyssen.

Massmann is the man under whose auspices a tank deal between the United States, Germany, and Saudi Arabia was arranged, between the spring of 1990 and the summer of 1991. And, Massmann used the services of Schreiber and other middlemen in working out that deal. The other middlemen include Mansour Ojjeh, a chief representative of the business interests of the Saudi Arabian Osama bin Laden clan, which has served as a favored partner of Bush-Thatcher and other BAC interests in the Middle East and the Persian Gulf region. Schreiber tried to set up a tank production site for Thyssen in Canada in the late 1980s and early 1990s, which project failed, but his close contacts to Massmann date from at least that period. Therefore, it can be expected that Baumeister, who promoted Thyssen arms deals with Saudi Arabia and other Mideast countries during the 1990s, knows what Schreiber knows, about affairs that people like Schäuble would rather not talk about in public.

The ghost of the murdered Barschel has begun to talk, although through the mouth of Schreiber, and it not only heralds the end of the official cover-ups of secrets, but also of many a political career in Germany.

After the elections in Croatia: a Marshall Plan, or a new war?

by Elke Fimmen

The parliamentary elections in Croatia of Jan. 3 brought to power a coalition of the two main parties, the Social Democratic Party (SDP), led by Prime Minister Ivica Racan, and the Social Liberal Party (HSL), led by Drazen Budisa. These two parties won 75 seats in the new Parliament, and are supported in a coalition by four other parties — the Croatian People's Party (HNS), the Croatian Peasant Party (HSS), the Liberal Party (LS), and the Istrian Democratic Party (IDS) — such that this new bloc forms a solid majority of 95 seats out of 151. The HDZ, the former ruling party of President Franjo Tudjman, who led the country since the first multi-party elections in 1991, through independence, until shortly before he passed away on Dec. 10, 1999, won only 45 seats in the Parliament. It thus suffered a big defeat, but remained the single biggest party in the Parliament. The other seats are held by five ethnic minority representatives, and another five by small conservative parties.

On Feb. 7, Stipe Mesic, who was the candidate for President of Croatia of the four smaller parties in the new ruling coalition, won the run-off election against the candidate of SDP-HSL, Budisa, with a clear majority. Mesic was the last President of the all-Yugoslav collective Presidency in 1991, before it broke apart. He was a co-founder of the HDZ, and was president of the Croatian Parliament, until he left the HDZ in 1994 over disagreements with President Tudjman's policies.

Ivica Racan, the new Prime Minister, was a member of the leadership of the Yugoslav League of Communists, and became its Croatian president in 1989. He has led the SDP of Croatia since independence. From 1995 until the recent election, the SDP had been the largest opposition party.

Economic crisis

The country is facing a high rate of unemployment, around 20%. It went through years of economic liberalization and monetarist policies, which were imposed by the International Monetary Fund (IMF) and the World Bank, and were complemented by internal machinations in the privatization process, which led to huge bank failures and massive losses in the real economy. Further, the country has still not recovered from its war of liberation, beginning in 1991, against "Greater Serbian" aggression.

Croatia is also suffering from the NATO war against Yu-

goslavia over Kosovo during 1999, in which the countries of the region were economically devastated, and nations such as Romania, Bulgaria, Macedonia, Albania, and Bosnia left teetering on the brink of social explosions. The situation in Kosovo has dramatically deteriorated politically in recent weeks. No economic assistance for civil reconstruction was forthcoming during the winter months, as had been promised by the so-called Stability Pact, whose members are going to hold another "donors meeting" in late March.

The change of government in Croatia has been strongly welcomed by the U.S. Clinton administration and the European Union. Now, however, is the hour of truth: Will Croatia receive substantial material support and be allowed to contribute positively to the desperately needed economic reconstruction and development of the region on the basis of respect for national sovereignty? Or will it be gripped even more tightly by the IMF, the World Bank, and Maastricht Treaty policies, and be forced to serve as a junior partner in NATO's new confrontationist policies against Russia and China? The answer to these questions will be crucial for the Balkan region as a whole, and above all, for world peace.

Interview: Faris Nanic

'We are expecting a fifth Balkan war'

On Feb. 9, Croatian political leader Faris Nanic gave a first-hand evaluation of the new political situation in Croatia and the problems facing the new government.

Mr. Nanic is Secretary General of the Party of Democratic Action (SDA) in Croatia, which participated in the general parliamentary elections. He is trained as an engineer, and, in 1996, he served as chief of cabinet of Bosnian President Alija Izetbegovic. In September 1999, on the invitation of the Schiller Institute, he travelled to the United States to present the Call for a Marshall Plan for Southeastern Europe,