

## Inside Canada by Pierre Beaudry

### The Canada-Grenada connections

*The Dope, Inc. corporate and banking network in Canada, now being reorganized under pressure, has vast Caribbean operations.*

**W**hile the Bank of Nova Scotia, Canada's leading dirty-money bank, still faces more than a dozen subpoenas from a Florida grand jury for laundering drug money in the Cayman Islands, new evidence is emerging that a shakeout may be under way in Canada to clean up part of the old Anglo-Canadian intelligence operations involved in such operations in North America and the Caribbean.

Investigators in Canada and the United States are putting the major Canadian banks and a number of top corporate entities and government officials under close scrutiny to locate their precise involvement in drug- and gun-running operations which interface with KGB-controlled insurgencies in Grenada and other Central American countries. This includes the Royal Bank of Canada, the Bronfmans' Seagram, Bombardier Inc., and the law firm Phillips and Vineberg.

On Jan. 4, the *Montreal Gazette* reported unprecedented revelations linking these key Dope, Inc. connections with the recent seizure of \$30 million in assets of the reputed "mad sheikh" of North Hatley, Québec, Saad Gabr, a notorious Nazi-Communist gun-runner for the international drug mafia.

The *Gazette* not only reveals that the above-mentioned entities have also been served "seizure notices to list property they hold belonging to Gabr," but that "Department of National Defense documents show that Gabr is Bombardier's sales agent to Pakistan." Both Bombardier and Gabr's

Space Technology were identified two years ago by *EIR* (see *EIR* June 15, 1982) as the continuation of Space Research drugs-for-guns operations it ran through the Caribbean in the early 1970s. Space Research folded in 1972 after it was caught selling arms to South Africa and Cuba. Gabr's Space Technology was initially created by the Bronfmans as a front to channel arms, including nuclear-related technology, to Israel.

Gabr's revamped Space Research is to this day using Grenada, Barbados, and other Caribbean islands as testing grounds for high-grade ballistic systems and as transshipment points for gun-running to Cuba and insurgencies in Latin America, and Africa.

Bombardier Inc., which came into the limelight last year when it successfully bid for the construction of subway trains for the New York Transit Authority, has a license from the Canadian government for producing military, logistical, and aeronautical products. Gabr and Bombardier now own the former Space Research's 7,000 prime acres in Highwater-North Troy, grounds that straddle the border between Québec Province and Vermont without being subject to cumbersome law-enforcement supervision or customs duties.

These two outfits, like the scientific core of Space Research, overlaps with the National Research Center (NRC), a Canadian federal research group that grew out of the Special Operations Executive during World War II. Paul Redhead is the director of

physics research at NRC. In 1980, his cousin Sir Francis Redhead had been involved in preparing a coup against the government of Grenada. Formerly a U.N. representative for the Gairy government, Redhead had been a key figure in bringing Space Research's operations to that island.

After the invasion of Grenada, a *Toronto Sun* reporter revealed on Nov. 18 that one of the key subversive elements in Grenada for the past four years had been the Canadian University Services Overseas (CUSO), a so-called aid group involved in establishing agencies such as the Grenada Food and Nutrition Council, a Club of Rome outpost. CUSO has for years been in an excellent position to provide arms to revolutionaries throughout Central America and Africa. In 1979, Zambian head of CUSO, David Bier, provided \$100,000 for the Patriotic Front.

CUSO's corporate control apparatus is the Canadian Executive Service Overseas (CESO), whose staff is made up of retired Canadian corporate executives who have been running "aid cooperation" throughout the Caribbean since 1967. Bombardier's Claude Herbert, Seagram's Charles Bronfman, C. E. Ritchie of Scotiabank, Earle McLaughlin of the Royal Bank, and Canada's top Malthusian, Maurice Strong of the Canadian Development Investment Corporation, have served on CESO's corporate board. CUSO and CESO are funded by a Trudeau government Crown Corporation, the Canadian International Development Agency (CIDA).

In early November, Conservative M.P. Otto Jelinek sent a message to Grenadan Governor-General Sir Paul Scoon, warning him against allowing CUSO to "re-establish and entrench themselves, possibly to the detriment of Grenada." But CUSO is already back in Grenada.