Kissinger Associates, Inc.: two birds in the bush

by Scott Thompson and Joseph Brewda

Two leading members of Henry Kissinger's consulting firm, Kissinger Associates, have been appointed to the Bush administration, causing Gary Wills to write in the Jan. 17, 1989 issue of the *New York Times*, "The Unsinkable Kissinger Bobs Back." While the naming of Kissinger Associates Washington, D.C. branch manager, Gen. Brent Scowcroft, to be Bush's National Security Adviser went unopposed, simply because there are no confirmation hearings for the President's staff, that of Kissinger Associates president Lawrence Eagleburger to the post of Undersecretary of State may hit a snag when confirmation hearings open some time in the week of Feb. 20-25 before the Senate Foreign Relations Committee.

Already, spokesmen for Eagleburger have told Walter Pincus of the *Washington Post* on Feb. 16 that Eagleburger may recuse himself from State Department dealings with a dozen countries, where he has had major corporate clients through his position with Kissinger Associates. Precisely how long Eagleburger will have to limit his role is now being negotiated between the State Department, the White House Counsel's office, and the Office of Government Ethics. Still, Eagleburger is only being partially truthful about the potential conflict-of-interest situations that he faces, since he is trying to limit this question before the Senate Foreign Relations Committee to deal only with foreign businesses that were his personal clients, not those of Kissinger Associates as a whole. In fact, were it not for the hard line being taken by Sen. Jesse Helms (R-N.C.), Eagleburger would attempt to get by without even revealing what businesses employed Kissinger Associates as their consultant.

Precisely how far Senator Helms is willing to go in his opposition to the Eagleburger appointment is not known. In 1986, in hearings for the confirmation of Richard Burt as U.S. Ambassador to West Germany, Helms held fast against this security risk only long enough to secure several appointments for those with conservative credentials. Still, if Helms and others are prepared to push it, there is sufficient evidence on Kissinger Associates—the highlights of which will be presented in this article—to submerge Henry Kissinger once again by either blocking the Eagleburger appointment or else by severely crippling his revival in office.

On one issue, analysts in the U.S. and Western Europe are absolutely clear: If Eagleburger achieves the number two spot at the State Department, while Scowcroft runs the National Security Council staff, Henry Kissinger will once again have the freedom to drop his recent hard-line posturing to let his true colors as a Soviet agent-of-influence show through. Kissinger's latest Central European proposal, which includes Kissinger's age-old call for a reunified, but neutral "Austrian Solution" for Germany, shows he now feels confident that he need no longer attack Western appeasement, because it will be Kissinger and his minions in the major positions to carry out that Western appeasement of the Soviets.

Our man in Belgrade

When he left his post as Assistant Secretary of State for Political Affairs in the Reagan administration in May 1984 to "go make money" with his friend Henry Kissinger, Eagleburger carried with him strong contacts with the leading political and financial circles of Yugoslavia, where he had been U.S. ambassador during the Carter years. In the Reagan administration, Eagleburger had feuded with Secretary of Defense Caspar Weinberger to make sure that U.S. trade and credits with Yugoslavia were expanded. It is Eagleburger's subsequent role at Kissinger Associates as their "man in Belgrade," which raises questions of potential implication in criminal enterprise, not merely conflict of interest.

Eagleburger was the Kissinger Associates representative with the U.S.-Yugoslavia Trade Council, and he is known to have been involved with at least three Yugoslavian firms: 1) Eagleburger was on the board of Yugo America, Inc., which filed for bankruptcy early this year, and is in the process of being taken over by its parent company, Global Motors, which has hired Kissinger Associates as a consultant; 2) another Yugoslavian firm that hired Kissinger Associates as consultants was Enerjoprojekt, a construction and engineering firm that was, until recent financial reverses, the 16th largest company of its sort, involved with multimillion-dollar projects in Iraq, Kuwait, and Gabon; and, 3) Eagleburger, independently of Kissinger Associates, was a board member of LBS Bank of New York, a wholly-owned subsidiary of Ljubljanska Banka of Yugoslavia, which was established on Oct. 1, 1986.

A Dec. 1, 1988 indictment of Vinko Mir, the chairman of the board of LBS Bank on which Larry Eagleburger sits, raises serious questions about the degree of Eagleburger's complicity in or knowledge about a criminal enterprise. The indictment charges that Mir, who is also on the board of the parent Ljubljanska Banka and its executive vice president, willingly took part in the illegal laundering of funds by persons whom Mir would have believed to be underworld figures engaged in the illegal export of restricted high technology and implements of war. Actually, the money-launderers were undercover U.S. Customs and Internal Revenue Service agents taking part in "Operation Flying Kite," which caught a network of people of which Mir was a part in laundering a total of $1,476,350 in funds of the "sting" operatives. Several other Yugoslavian financial and political institutions are also implicated in the case, including the Chicago-based Yugoslavian Consul General to the United States. Not only did Mir allegedly conspire to launder funds from these "organized crime" figures, but in a subsequent meeting with the IRS undercover agent, he acknowledged that he had falsified information on the Currency Transaction Reports that should have been filed with the Treasury Department, a practice established for the purpose of tracking money laundering.

Questioned by *EIR* on Feb. 16, Mir refused to say whether he had been the person who hired Eagleburger on the board of LBS Bank, although he did acknowledge knowing Eagleburger well. It is notable that Eagleburger, who has recently taken the public stance that he wishes to avoid the slightest hint of impropriety, waited until Jan. 9, 1989 (more than a month after the indictment of his friend Mir, when Eagleburger's nomination was locked up), to resign from the board of the LBS Bank. Nor can Eagleburger, who began his work in the Foreign Service in Yugoslavia in the 1950s, claim ignorance of the facts, since the province of Slovenia in whose capital LBS Bank's parent company operates, has the same reputation among insiders for organized criminal activity stretching into Western Europe, as the more infamous "Bulgarian connection."

Through his position at Kissinger Associates, Eagleburger is directly a consultant to the following firms: 1) L.M. Ericsson AB of Sweden, an international communications and manufacturing company, which is linked to the Swedish Wallenberg family interests, who constitute the "Northern Route" of the Anglo-Soviet Trust; 2) The Daewoo Group, which is one of the largest South Korean conglomerates, producing several products including automobiles in partnership with General Motors; 3) ASEA Brown Boveri, another Swedish-based industrial manufacturing concern, which is part of the Wallenberg family part of the "Northern Route" with the U.S.S.R.; 4) Midland Bank, which is the fourth-largest commercial bank in Britain, that also holds substantial amounts of Third World debt; 5) A.B. Volvo, the Swedish automobile manufacturer, which is now financially controlled by the Wallenberg family interests; 6) Fiat, the Italian vehicle manufacturing firm, which, during Kissinger's 1970s "detente," built the Togliatti firm in the U.S.S.R., which produces advanced suspension systems for Soviet tanks; 7) Bell Telephone Co. of Belgium, which owns nearly 40% of a Turkish company that manufactures communications in that country; 8) Union Carbide, the U.S.-based, international chemicals company; 9) Global Motors, the parent company of the now bankrupt Yugo America, Inc.; 10) Coca Cola; 11) H.J. Heinz; 12) Anheuser-Busch; 13) Hunt Oil Co. of Dallas, Texas, which is run by Ray Hunt, son of the late H.L. Hunt and which employed Eagleburger in part for his advice in North Yemen oil exploration; and, 14) ITT.

As with the LBS Bank and Global Motors, Eagleburger is on the board of American ITT, the Mutual Life Insurance Co. of New York, BestMart, and Josephson International. But a proper investigation of Eagleburger's potential conflicts of interest—the sort of investigation being demanded by Sen. Jesse Helms—would also include a look at the board of directors of Kissinger Associates and its many other clients.

Who's who at Kissinger Associates

Founded in 1982 with loans from the investment banks of S.G. Warburg, Pincus, and Goldman, Sachs, Kissinger Associates has developed into a "miniature State Department," charging clients fees that start at $150,000 a year for "consulting." Actually, there is a question about precisely what Kissinger Associates does for its clients, whose full listing has never been made public. Published accounts state that for that $150,000, a firm's chief executive officer only gets one visit a year with Kissinger Associates' main office in New York, as well as a few telephone consultations. If the story of Eagleburger and the LBS Bank is any indicator, the services may be much more important, though concealed, as in Henry Kissinger's recent attempts to set up a debt-for-equity looting scheme on recent trips to meet heads of state in Ibero-America, which would greatly benefit such known Kissinger Associates clients as Midland Bank, Chase Manhattan Bank, and Citibank. Additionally, Kissinger has used his clout to attempt to secure government guarantees of such debt-for-equity swaps, which would place the U.S. government as a body of armed men to collect the debt that mushroomed earlier under Federal Reserve Chairman Paul Volcker's usurious interest rates. Informed analysts believe that it is such special operations which Kissinger Associates actually perform on behalf of top corporate clients, not mere round table consulting as presented in the public relations statements.

The high-powered board of trustees of Kissinger Associates tends to confirm this analysis. Members include:

• Robert O. Anderson. Until two years ago Anderson was chairman of the Atlantic Richfield (Arco) oil giant, which still employs Kissinger Associates as consultants. Anderson was a founder of the Aspen Institute, which has engaged extensively in the development of negotiating positions for those arms control deals, which Kissinger claims he would avoid since his traitorous 1972 SALT-ABM treaties. Anderson is currently a partner of British tycoon Tiny Rowland, whose Lonrho, Ltd. runs a feudal fiefdom in Africa. In association with Anderson, Rowland spawned Marc Rich, the Soviet oil trader, who faces indictment in the U.S.

• William Jefferson Cunningham III. This vice chairman of Kissinger Associates had formerly been president of the Orion Group, which is part of a consortium involving such major offshore drug-money laundering firms as Royal Bank of Canada, according to the authors of the book, *Dope, Inc.*

• Pehr Gyllenhammer. He has been the chairman of Volvo since 1983, and he is chief executive officer of Volvo AB, which is one of Eagleburger's clients. Since 1962 Gyllenhammer has been on the Chase Manhattan International Advisory Board, which is chaired by Henry Kissinger.

• Sir Y.K. Kan. A resident of Hong Kong, Kan had been chairman of the Bank of East Asia, which is affiliated with S.G. Warburg in East Asia Warburg, Ltd., from 1963-83, and he was chairman of the Hong Kong Trade Development Council from 1979-83. From his position at the bank, Kan was involved in operations with the China International Finance Company, Ltd., based in the mainland China city of Shenzhen, reportedly in cooperation with the Bank of China.

• Henry Kissinger. In addition to chairing and being the sole owner of Kissinger Associates, Henry's other financial connections include: 1) adviser and former chairman of the International Advisory Board of Chase Manhattan Bank, which heretofore employed Kissinger Associates as consultants; 2) chairman of the International Advisory Board of Maurice "Hank" Greenberg's American International Group, which was a leading part of the coup against President Marcos in the Phillipines, while Kissinger served with AIG; 3) board member of Shearson-Lehman/American Express, which is among Kissinger Associates' most lucrative clients; 4) board member of Union Pacific; 5) board member of R.H. Macy; 6) board member of Continental Grain, which, like Chase Manhattan, has had extensive trade dealings with the U.S.S.R.; and, 7) trustee of the Rockefeller Brothers Fund.

• Saburo Okita. The highest post held by Okita in the Japanese government was that of foreign minister, appointed by Prime Minister Ohira in November 1979. Okita has served in numerous positions in such "one worldist" institutions as the Club of Rome, World Wildlife Fund, World Bank, and United Nations, but, at least superficially, appears to have been an advocate of Japan's dirigist scientific and technological development policies. Okita was also on the steering committee of David Rockefeller's Trilateral Commission.

• Edward Lewis Palmer. In 1982, when Kissinger Associates was formed, Palmer retired as a director and chairman of the executive committee of Citibank, which employs Kissinger Associates as a consultant. Palmer remains a board member of Union Pacific with Kissinger, and he is a board member of the National Bank of Washington from which Scowcroft recently resigned.

• William Dill Rogers. This former ranking member of the State Department under Henry Kissinger in the 1970s, is today with the law firm of Arnold and Porter, where he serves as Henry Kissinger's personal attorney and also as attorney for Kissinger Associates. It was Rogers who, in a series of letters released under the Freedom of Information Act, is seen soliciting then FBI director William Webster to mount a "Cointelpro" operation against *EIR* founder Lyndon LaRouche, simply because of *EIR*'s dossiers exposing Kissinger's role in the murder of several world leaders, Kissinger's unsavory personal morality, and his actions as a Soviet agent-of-influence.

(Kissinger himself wrote such a letter to Webster on Aug. 19, 1982, shortly after the Aug. 14 filing of a legal brief in Italy by LaRouche's friend, Fiorella Operto, the leader of the European Labor Party, assembling evidence regarding Kissinger and the murder of Aldo Moro; the brief was published in *EIR*.)

Rogers's position on the board of Kissinger Associates belies Henry's claim that his firm never represents foreign governments. Roger's client list has included: 1) the government of Venezuela, which Rogers has represented in syndicated Eurodollar bond offerings; 2) the government of Israel; and, 3) the Sandinista government of Nicaragua, for which Rogers was the registered foreign agent in 1981, when he advised the Sandinistas on arms exports, receiving $126,000 for this advice over a six-month period. Rogers has been a major fixture with Henry Kissinger in their debt-for-equity looting scheme, and *EIR* possesses documented evidence of Rogers's direct work against Lyndon LaRouche's *Operation Juárez* for resolving the "debt bomb."

• Lord Roll of Ipsden (Baron Eric Roll, created Life Peer 1977). Lord Roll has been the chairman of S.G. Warburg since 1973, and he has also been the past chairman of Mercury Securities. Lord Roll was elevated to the peerage, because he was a director of the Bank of England from 1968-77. S.G. Warburg employs Kissinger.

• William Simon. This former Secretary of the Treasury in the 1970s, serving opposite Kissinger at State, appears to be the token conservative on the board.

Apart from those already named above, the clients of Kissinger Associates include: 1) Fluor Corporation, a major international construction firm; 2) the International Energy Corporation of Stamford, Connecticut; 3) Montedison of Italy, which entered into the largest joint venture in the U.S.S.R. during Gorbachov's reign (a modern petrochemical plant) with Soviet Trust agent Armand Hammer; 4) General Electric Company in the U.K., whose past chairman, Lord Carrington, until recently NATO secretary general, had been a board member of Kissinger Associates; and 5) Merck Pharmaceutical.

To discover the true conflicts of interest which might arise with Eagleburger's appointments, all these various firms and board members relations with Eagleburger will have to be explored by the Senate Foreign Relations Committee.