

who the front-runner's going to be. We don't care about the country or the world.

And that's where the enemy is: It's in ourselves, in the American people themselves, who have lost sight of reality.

Yes, the world's a dangerous mess. But it's a mess because we, the most influential single nation on this planet, are failing to do the simple things we could do, to ensure our own future and security.

Deterioration in the Balkans

From a webcast press conference with international journalists, Jan. 27:

Moderator Debra Freeman: I have a question that was submitted to you from Mr. Ramadan Reshitaj. He is the editor of the weekly newspaper *Besa*, which is the newspaper for Albanians living in Kosovo. His question is: Mr. LaRouche, if you are going to win the Presidential elections, what will your policy toward the Balkans and, in particular, toward the Albanians be?

LaRouche: All right. Right now we have a terrible situation in the Balkans as a result of what the British and others did, with the consent of the United States. The condition is, that right at this moment, as we speak, the ice floes on the Danube are piling up, around where the bridges were bombed. As a result of that and related conditions, the entire Balkans is now becoming an economic and human hellhole.

Now, during the time prior to the conclusion of the bombing in the Balkans, in the Yugoslav war, the President of the United States, beginning in an address he gave in San Francisco, Bill Clinton, announced a policy which I thought was good. But then at the end of the bombing, he reversed himself. And as a result of that reversal, instead of what he proposed, which was to take a Marshall Plan approach to reconstruction of *all* the Balkans, he took a position which has helped, together with the British, to turn that place into hell. And it's becoming worse, worse than it was before the war, and during the war, now.

So, under those conditions, the obvious thing to do is go back to the Treaty of Westphalia as a precedent, a model precedent, and to say that we must develop the entirety of the Balkan area economically, without prejudice. Now, the first thing that should have been done, is that the Danube should have been cleared to open for traffic. The failure to open the Danube again for traffic was a crazy decision, coming out of London, but supported by the United States; it has created a hellhole in the Balkans, and affects all the underbelly of Europe as a whole.

It also is a threat to stability in the relation between Europe and Turkey, and so forth and so on. So, what must be done, is, we have to say, what we wish to do, what is our interest, is to bring justice, not vengeance, but justice, to all the area—economic justice, Marshall Plan-style. We set a group of rules for economic development, we work with our European partners and others to implement that

development. People are dying as a result of the conditions created by the war and the conclusion of the war itself. People are dying! We cannot tolerate that condition. Therefore, we must take emergency action, immediate emergency action, to foresee a Marshall Plan-type of development of each and all parts of that region, in cooperation with the neighbors of that region, especially.

That must be done, without fear, without sense of retribution, or anything else. Just do it.

Iran-Contra emerges behind German scandals

by Rainer Apel

It has been an unwritten, but generally accepted rule of German politics over the last 20 or more years, not to look into the really explosive side of scandals. All established parties, except for but a handful of politicians, have played by that rule. But the ongoing revelations about the funding affairs of the Christian Democratic Union (CDU), which many believe “will shake the entire republic,” is also beginning to shake something else: namely, the very pact of silence that has suppressed a broader discussion of “state secrets.”

It is not because of the internal German aspects of the revelations that some of those secrets are being pulled into the daylight; it is mainly because of the unabated assault of British Commonwealth circles on the CDU, launched through the mouth of German-Canadian arms dealer Karlheinz Schreiber, a fugitive from German prosecutors who is living comfortably in Toronto. Schreiber talks a lot, and does so several times a day, to numerous German media eager to get nasty comments from him on German politicians.

Schreiber's favorite target has been CDU party chairman Wolfgang Schäuble, who has been at pains, first, to deny any direct contact with Schreiber in the 1990s, and second, to document, after he admitted to meeting him, when he met him. For the lynch-mob media, Schäuble's conduct speaks against him—irrespective of whether Schreiber is telling the truth or not. Schäuble admitted to meeting Schreiber, among other CDU party funders, in Bonn on Sept. 21, 1994, and to receiving a cash donation of 100,000 deutschemarks from him afterward. Schreiber says that that is not true, that he gave the money to Schäuble three weeks later, on Oct. 12, via a meeting with then-CDU party treasurer Brigitte Baumeister. Schreiber added that more meetings had taken place, and indeed, at the end of January, Schäuble admitted that the two of them met briefly in Bonn, on June 2, 1995.

The “political amnesia” which Schäuble has suffered, regarding his meetings with Schreiber, does not have to do, at

least not exclusively, with what the lynch-mob media claim is an attempt to cover up corruption. It has to do with the fact that Schreiber is an integral part of the international arms-peddling operation known as the Iran-Contra cartel. And Iran-Contra is something that Schäuble hates to talk about in public.

Schalck-Golodkowski

This reluctance became most evident during the parliamentary investigation committee hearings in Germany in the early 1990s, on the “Schalck-Golodkowski” affair. “Schalck-Golodkowski” refers to the role played by East German Deputy Cabinet Minister Alexander Schalck-Golodkowski, whose Kommerzielle Koordination (KOKO) apparatus ran numerous illegal operations into the West, especially the Iran-Contra arms deals carried out by IMES, a Rostock-based “import-export firm.” KOKO and IMES comprised a special section of the East German foreign intelligence service, and Schalck-Golodkowski also became engaged in high-level diplomacy with, among others, West German politicians, during the 1980s.

Schalck-Golodkowski’s main official partner on the West German side during a good part of the 1980s was Schäuble, who at that time was Chancellor Helmut Kohl’s special envoy for talks with the East German government. A good part of

those talks were strictly confidential — for example, those that in the spring of 1986 resulted in a joint, secret agreement between the two German governments not to take an active role in the Strategic Defense Initiative missile defense project, and its Soviet counterpart. Instead, the two Germans agreed that their governments would concentrate on arms control and disarmament policies.

Granted, these were contacts that Schäuble and Schalck-Golodkowski conducted in their function as official envoys. However, the diplomatic relationship that the two built up was close enough for Schalck-Golodkowski to write a personal letter to Schäuble, and to talk to him on the phone, shortly after he fled from East Germany, to escape arrest in November 1989. “Mr. Schäuble has testified that he cannot recall in detail the contents of that phone conversation,” the parliamentary investigation committee wrote in its protocol. Also, the letters between the two politicians during 1990, concerning secret financial operations and bank accounts of East German companies, escaped Schäuble’s memory, although one of those letters, as was documented, dated June 15, 1990, was addressed “To Federal Minister Dr. Schäuble, personal only.” The exact contents of this communication is not documented, because the letters were allegedly “lost,” in what comes across as the German counterpart to the shredding operation by Oliver North in the United States.

Accounts in Liechtenstein

What Schalck-Golodkowski and Schäuble most likely discussed in these letters and earlier talks, is the vast network of KOKO “firms” and bank accounts in such offshore places as the tiny European Duchy of Liechtenstein. It is said that a good part of the DM 30 billion of East German financial assets that “disappeared” into nowhere, with the reunification of the two Germanys, was channelled through Liechtenstein bank accounts.

Schäuble and the politicians who handled the CDU’s finances through the 1980s and 1990s have all suffered “amnesia” in recent weeks, concerning the full scope of illegal financial transactions into Liechtenstein and Switzerland. Some of the truth has become public only in piecemeal revelations, and not only does it seem to be established that Liechtenstein bank accounts played a dominant role in the illegal party funding, but also, the equivalent of \$6-7 million of CDU funds that vanished into thin air, did so through Liechtenstein. Liechtenstein authorities have repeatedly called on German authorities to provide them with information, so that the trail of funds can be reconstructed. But, strangely enough, the German authorities have so far refused to do so.

Were it just for the cover-up of corruption money, the German institutional disinterest would not make much sense. Were it for the cover-up of what Schalck-Golodkowski and Schäuble know, it would make a lot of sense. The question remains: Where did the East German financial assets from the old Iran-Contra operations, end up after 1990?

The Way Out of The Crisis

A 90-minute video of highlights from *EIR*'s April 21, 1999 seminar in Bonn, Germany.

Lyndon LaRouche was the keynote speaker, in a dialogue with distinguished international panelists: **Wilhelm Hankel**, professor of economics and a former banker from Germany; **Stanislav Menshikov**, a Russian economist and journalist; Schiller Institute founder **Helga Zepp-LaRouche** from Germany; **Devendra Kaushik**, professor of Central Asian Studies from India; **Qian Jing**, international affairs analyst from China; **Natalya Vitrenko**, economist and parliamentarian from Ukraine.



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