

# International Intelligence

## ***Israel to resell American arms?***

Israel's new economics czar, Ya'acov Meridor of Maritime Fruits, told a business conference of Israel Bonds in Jerusalem in mid-August that Israel is seeking Washington's agreement for Israel to sell U.S.-made arms to countries the United States cannot sell directly to, such as Taiwan and South Africa.

"You will sell ammunition and equipment by proxy," Meridor stated. "Israel will be your proxy."

The resale of U.S. arms by a second party—in this case Israel—is currently a violation of the terms of agreement of sale between the United States and the recipient country. For Israel to resell arms, the congressionally approved agreement clause will have to be changed.

Meridor, who is known to be involved in international drug trafficking through his Maritime Fruits, says that arms resales will be an important source of revenue for Israel's troubled economy. Within four years, says Meridor, annual revenues from arms exports will jump from the current \$1.25 billion to \$3.25 billion.

Meridor's approach is endorsed by Defense Minister Ariel Sharon, who recently stated that to protect its "economic independence," Israel would begin a big campaign to increase arms sales.

## ***West Germans demand national sovereignty***

The unilateral American decision to produce the neutron bomb, without prior consultation with NATO allies, encroaches on the national sovereignty of the Federal Republic of Germany, on whose territory the weapon would eventually be deployed. This is the view stated publicly by a broad spectrum of West German politicians, exemplified by Bonn government spokesman Lothar Ruelh, a

moderate, and Social Democratic Party leftist Egon Bahr.

In a radio interview Aug. 16, Ruelh said that under present conditions Bonn could not approve of any plan to station the weapon in Germany. The West German government only agreed to the Carter administration's plan to deploy the N-bomb in Europe three years ago on the condition that there would be an "overall reform" of NATO's military and technological structure, he said. But this did not occur, and Bonn does not see any preconditions now that would make it possible or necessary to station the weapon on German soil, Ruelh concluded.

Willy Brandt ally Egon Bahr defended the Federal Republic's right to participate in decisions which "affect our sovereignty and future," such as the deployment of nuclear weapons that can determine a nation's survival or extinction. If the superpowers continue the "arms race" without consulting West Germany, he said, they effectively turn back the wheel of history to the days when West Germany was still an occupied country.

## ***Genscher boosts the IMF option for Poland***

In flagrant contradistinction to recent statements made by West German Chancellor Helmut Schmidt and by other government spokesmen supporting national sovereignty, Foreign Minister Hans-Dietrich Genscher is publicly adopting the British line of toppling national sovereignty in Europe.

In confirmation that Poland is to be the model for Europe, Genscher openly stated, after a meeting with Polish Foreign Minister Czyrek, that he would like to see Poland enter the International Monetary Fund, "which would make many things much easier for this country." He added that the Soviets, in his estimation, would not disapprove. Genscher's statement echoed an Aug. 18 editorial in the London *Financial Times* urging Poland "to submit itself to the

disciplines of membership of the International Monetary Fund."

Second, Genscher has issued a document aimed at undercutting European nationhood. The document, put out under the auspices of Genscher's party, the Free Democrats, calls for a three-point program for Europe: 1) upgrading the European Parliament above the status of other European Community institutions; 2) drawing up of a European constitution; and 3) establishing a European defense council, all in accordance with Great Britain's long-term plan for a federation of balkanized continental European states.

## ***Piu Manzu slides into Cancún preparations***

The Piu Manzu Research Center, created as a consultation body of the United Nations International Development Organization (UNIDO), will hold a conference in Rimini, Italy, in October, just before the North-South summit scheduled for Cancún, Mexico, in an effort to influence the proceedings of that summit.

The Piu Manzu group, first investigated by *EIR* as one of the conduits for the "Billygate" networks into Libya, is part of the Global 2000 depopulation apparatus. Created in 1969 to focus on Euro-Arab relations, the institute will hold three panels on "The Global Challenge," the slogan of French postindustrialist Jean-Jacques Servan-Schreiber. The panels will discuss 1) "the necessity to move from an industrial society to a computerized society"; 2) energy, on which the session is expected to take a Delphic "we need coal and nuclear power in the framework of the postindustrial society" approach; and 3) Euro-Arab cooperation.

The conference will be cosponsored by the Club of Rome, the Italian Foreign Ministry, Fiat, Olivetti, the United Nations, the European Community, the Arab League, and others. Speakers included Aurelio Peccei; Kurt Waldheim; systems analyst Erwin Lazlo of Unitar

and the Club of Rome; Rokusuke Tanaka, an international trade official from Japan; Guido Carli, the Propaganda 2-linked ex-central banker and current financial adviser to the Italian government; former Italian Agricultural Minister Giovanni Marcora; Samuel Brittan of the London *Financial Times*; former Mexican President Luis Echeverría, and former Italian Prime Minister Amintore Fanfani.

### **Qaddafi forges 'anti-West' military axis**

Libyan strongman Muammar Qaddafi has drummed up a military alliance with Libya's Marxist-Leninist allies South Yemen and Ethiopia to challenge "action centers and aggressive imperialist bases located not only in Israel but also in Egypt, Somalia, and the Indian Ocean." Despite Libya's close relations with Moscow, the move, which intensifies polarization between the superpowers in the Middle East, is the work of Qaddafi's longtime controllers, the Venetian oligarchy and the Propaganda 2 Freemasons in Italy.

In fact the treaty was signed the same day as the dogfight off the Libyan coast in which U.S. F-14s shot down two Soviet-made Libyan jets.

An Arab source reports that a prime target of Libya and its radical allies is Saudi Arabia. The source reports that Libya is cooperating with South Yemen, a historic puppet of Great Britain, to begin new pressure on North Yemen, an ally of Saudi Arabia, for reunification.

The Saudis are extremely sensitive to any such effort for fear that South Yemen will transform North Yemen into a Marxist state and trigger a radicalization of the entire Red Sea-Persian Gulf region. The South Yemen-based PFLO was recently in North Yemen proposing reunification, a plan which might well have a terrorist threat backing it up, given the PFLO's long record of extremism in the Middle East. Earlier this year, Libya and South Yemen jointly

pledged to back liberation movements throughout the Persian Gulf-Red Sea area.

### **Fall confrontation over French economic policy?**

As the French economy rapidly crumbles, the current Keynesian patchwork measures by the Socialist government now could produce a "hot autumn" in France. The Communist-linked trade union confederation, the CGT, is preparing for a fall offensive against the government's economic policies, despite the presence of four Communist ministers in that government.

France's unemployment is at an all-time high, and the just-announced balance of trade deficit for July has reached 6.1 billion francs. This deficit is threatening to increase, because the sectors that still show a surplus (equipment goods, foodstuffs, and metallurgical products) are extremely vulnerable as a result of Third World economic collapse and the general decrease in consumption levels. In addition, according to the latest government statistics, productive investment by the top 2,000 French firms is about to drop by 12 percent in the coming months.

In mid-August, the Mitterrand government adopted a series of remedial measures oriented toward keeping small and medium-sized firms afloat, developing public works and low-income housing, and promoting new labor-intensive industries. These measures are to be implemented before Sept. 15.

The general secretary of the CGT, Georges Seguy, has already issued a preemptive statement. Seguy warned that while the present economic situation might be blamed on the previous administration, that will no longer be the case this fall, and that this could cause serious "disappointment" among the working people who voted for Mitterrand. The CGT has rejected low-wage apprenticeship programs, calling instead for "training on the level of the Polytechnique."

## **Briefly**

● **FRANCOIS Mitterrand's** government is split over which opposition faction to back in Iran, according to European intelligence sources. High-level officials in the French foreign ministry favor restoration of Shahpour Bakhtiar and the Pahlavi dynasty, while the president and the Socialist Party are said to back the Bani-Sadr option. Meanwhile, the British-dominated Kuwaiti government has taken an anti-Khomeini turn, citing evidence of growing cooperation between Iran and Israel as the reason.

● **SAN SALVADOR** lost over \$10 million when guerrillas dynamited seven electrical stations Aug. 18 and cut off all power to the city for over 40 hours. For an economy as small as El Salvador's, this is a disaster: deurbanization will be encouraged, and refugees driven to join paramilitary bands.

● **ARNAUD de Borchgrave** says that in the wake of the U.S. Air Force clash with Libya, Qaddafi will plunge into a destabilization of Africa. The *Spike* co-author predicted in an Aug. 19 interview that Zaire will be hit by a Libyan-sponsored civil war in three separate provinces.

● **JAMES BEGGS**, NASA Administrator, and Dr. R. Sunaryo, chairman of Indonesia's National Institute of Aeronautics and Space (LAPAN), have signed a memorandum of understanding to establish a ground station for Landsat at Pekayon, near Djakarta.

● **SIRIMAVO Bandaranaike**, former prime minister of Sri Lanka, was nearly assassinated by a bomb this month. President Jayawardene has reportedly become wary of a comeback by Mrs. Bandaranaike, who is politically close to Indira Gandhi. Jayawardene, an admirer of Milton Friedman, has by contrast carried out the World Bank's "free trade zone" policy.