

International Intelligence

Reagan moves to contain Israeli breakaway ally

A well-connected Middle East intelligence source told *EIR* Jan. 14 that President Reagan issued a stern warning to Israeli Prime Minister Menachem Begin two weeks ago through Sen. Charles Percy. During a visit to Israel, Percy warned Begin that if Israel does not evacuate the remainder of the Sinai on April 26, "there will be no U.S. Ambassador in Israel." Percy further warned that "you have crossed the line . . . this is business. Israel walks next to the U.S., any further attacks against your neighbors must be preceded by a consultation with the U.S."

This warning reflects growing fear in Washington that the mad Begin regime is moving into the so-called breakaway ally mode, whereby Israel conducts aggression against the Arab world without consultation with the United States, as it did when it annexed the Golan Heights last month. Washington sources report that the administration is increasingly fearful of the power-play Israeli Defense Minister Ariel Sharon is conducting to succeed Begin.

Haig pushes 'Third Force' in Caribbean

At a quiet meeting in Washington, D.C. on Jan. 8, Sr. Felipe González, who runs Latin American operations for the Socialist International, reported to Secretary of State Alexander Haig on his two previous weeks of shuttle diplomacy, which had taken González from Mexico City to Panama, Costa Rica, and Havana. And according to his own report after the meeting, he found Haig open to the Socialist International plans. González announced to the press after the meeting that he was "optimistic" that the United States will now begin negotiations with the Socialist International. Nominally, the deal is on how to carve up the area: the United States is to put the left into power in El Salvador, and

the Socialist International to allow a relative shift to the right in Nicaragua.

The recent French-Nicaraguan military accord, announced by French Defense Minister Charles Hernu during his visit to Washington this month, is a major component of the accord, and it points to the real policy content of the new negotiations. The author of the French arms accord, according to congressional sources, was Mitterrand's top "revolutionary theorist" on Latin America: Régis Debray, the man who reportedly runs Felipe González as well. The arms sale is a part of Mitterrand's efforts to set up a Third Force between the superpowers, based on a kind of "Rousseauvian socialism" envisioned by Debray, the sources reported.

Destabilization planned for López Portillo

"Foresee in Order to Forestall" is the title of a planning meeting among Jesuit-controlled Mexican bankers and businessmen Jan. 15-18, modeled on the Chipinque meeting of "hooded ones" which plotted the destabilization of President Luis Echeverría six years ago.

The \$2,000-per-head gathering is directed by European operatives from the Universities of Louvain, Munich, Münster, Berlin, and Madrid. The opening presentation was made by Augustin Legorreta, head of Mexico's leading propaganda-2-linked bank, Banamex. Derailing President López Portillo's pro-industry policies is on the agenda.

Mitsubishi Plan author challenges World Bank

Masaki Nakajima, the author of the \$500 billion Mitsubishi Research Institute (MRI) world development plan, directly challenged a speech given by World Bank chieftan A.W. Clausen in Tokyo and counterposed to Clausen's view the Mitsubishi Plan. This is the first time any business or political leader in Japan

has given a public speech promoting the scheme, as opposed to newspaper "trial balloons."

Clausen had told a public seminar in Tokyo sponsored by the *Yomiuri Shimbun* Jan. 13 that the idea of a "north-south" economic configuration is no longer useful because now the world is "multipolar," the favorite phrase of London-based geopoliticians. Clausen went on to say, "The World Bank is a very hard-headed, unsentimental institution that takes a very pragmatic and non-political view of what it is trying to do. . . . The World Bank's mandate is to contribute to the economic success of its developing-country members, but it can make that contribution only if it retains the support of the governments and private markets of its capital exporting countries."

Nakajima, the head of MRI, then rose to state, according to Jiji press service, that the situation of the developing countries is getting steadily worse, and pointed to Mitsubishi's \$500 billion plan for massive development projects in the developing countries as the alternative. Jiji added that one of the motivations behind the Mitsubishi Plan was the view that the World Bank, United Nations, and other organizations have become less effective.

Schmidt: 'I have been silent long enough

Helmut Schmidt gave one of the feistiest speeches of his career in the German Bundestag on Jan. 14, stressing that the bulk of the population supports him in his fight for social stability, higher employment, and lower interest rates. The economic stability of the West is very much a question of security and world peace as well, Schmidt declared.

The Chancellor told his critics that he had been silent long enough in the face of outrageous slanders from at home and abroad. As the Christian Social Union's Franz-Josef Strauss and Christian Democrat Helmut Kohl are calling for a tough line against Poland, Schmidt said,

"old Nazis" are writing letters to the Chancellery demanding the same policy.

But apart from such old Nazis, Schmidt said, 75 percent of the German population supports his policies on interest rates, Poland, and NATO's missiles.

Soviets profess bitterness at U.S. incompetence

The most authoritative commentator in the Soviet government daily *Izvestia* the first week in January wrote an analysis of Western response to the Polish crisis, concluding that the United States had distinguished itself for its sheer incompetence in handling the situation. *Izvestia* commentator Aleksandr Bovin concludes that the United States has developed great skills in digging "deep dungeons" for itself, from which it is then unable to emerge. The United States continuously generates unnecessary foreign-policy crisis situations which it then proceeds to mishandle. To convey this point, Bovin also uses an image taken from a speech by George Kennan, in which the United States is portrayed as a pin-headed dinosaur with a huge, self-destructing tail. I say this, concludes Bovin, not with "malicious glee" but "with bitterness."

A companion piece in the Soviet party paper *Pravda* on Jan. 8 under the signature Petrov—denoting a highly authoritative commentary—concludes that the United States is determined to actually wipe out socialism in Eastern Europe, but that the Soviet Union will not allow this to occur.

This Petrov piece—which is harsher than anything published in the Soviet press in the wake of the Afghanistan invasion—differentiates between the United States and Western Europe, a distinction which was also emphasized by Bovin in *Izvestia*. This distinction was also carried in a communiqué by Soviet Foreign Minister Gromyko and his Polish counterpart, Czyrek. The communiqué issued following their Jan. 12 five-hour meeting was devoted in the main to an extraordinary detailing of all the major East-West European contracts and treaties of the

past 10 years. The point being made is, of course, that all these advantages will be lost to Western Europe if they go along with the American sanctions.

Scandal implicates Palme socialists

In Sweden, the latest developments in an unraveling scandal implicating circles tied to former Social Democratic Prime Minister Olof Palme put drug smuggling and at least one covered-up murder embarrassingly close to the doorstep of Palme himself. Palme is a scion of the Baltic nobility and Venetian insurance interests now tied to Iris, the private intelligence outfit set up by Ted Heath.

A British national named John Slattery, the key witness in a trial of one Carl-Thomas Edam, who was arrested several months ago in the largest drug bust in Swedish history, was found murdered in Amsterdam minutes before police there had planned his arrest. The Swedish press is now filled with hints that there are "several prominent figures in the periphery of this affair." Police had felt certain that Slattery would name his prominent cohorts. Carl-Thomas Edam was Palme's adviser on school and educational issues. Later Edam was redeployed to Copenhagen, center of the Christiania drug underworld, to work on a project called "Scandinavia Today" funded by the Aspen Institute's Robert O. Anderson.

The Edam affair is the most recent of a series of explosive Swedish scandals that have broken into the open in past weeks around the narcotics-diamond-casino underworld. Several weeks ago, another major drug scandal linked Palme intimate Anders Thunborg, present U.N. Ambassador, to organized crime czar Jacob Chanow, the diamond king tied to Pakistani and Danish drug networks. This scandal is believed in turn to intersect the one involving the P-2 linked Engelhard Minerals, the head of whose Swedish subsidiary was arrested for smuggling millions of dollars worth of gold from Switzerland.

Briefly

● **FRANK SOUTHARD**, former deputy managing director of the International Monetary Fund and current chairman of the small, elite Per Jacobssen Foundation, told a reporter Jan. 12, "There is little the U.S. can do if Schmidt wants to continue the Siberian pipeline deal. The Germans started it over U.S. objections anyway." Southard rejected the idea that President Reagan was pushed around by Schmidt in their meetings. "I think that Reagan got more out of it than anyone expected. But the truth of the matter is that as far as Poland goes, the Soviets are taking a big risk, but basically are succeeding and have the situation under control."

● **THE SOVIET PRESS** has launched a campaign against economic inefficiency—a development very much in line with the "battening down of the hatches" *EIR* expects within the Comecon countries as a result of the Polish situation. An article in the Soviet party journal *Kommunist* criticizes the State Planning Agency, Gosplan, and certain ministries for ignoring the plan directives just approved by the Central Committee and the Politburo in November. *Pravda* charged Dec. 28 that construction procedures optimize short-term, high-cost building operations.

● **GEN. MAXWELL TAYLOR**, who has called for orienting foreign policy toward depopulating the Third World, has called for a policy of dismantling high-technology strategic defense capabilities. In a op-ed in the Jan. 14 *Washington Post*, Taylor says the U.S. should "abandon weapons parity with the Soviets as a national goal." Instead, Taylor says, the U.S. should reduce its strategic arsenal to one which would be sufficient to devastate, not the military targets, but the command centers, leadership bodies and cities of "the region where the population is predominantly ethnic Russian."