

# International Intelligence

## **IMF runs the Ugandan economy**

As part of an IMF packet to stabilize the depleted economy, the Ugandan government has allowed the shilling to float.

The currency began its float downwards on June 2 and is expected to sink a full 90 percent. Since the destruction of the productive capacity of the country by dictator Idi Amin, the economy has relied on black-market goods and drugs. Food is scarce in the urban areas, and consumer goods are nonexistent. The IMF's program specifies that the only way to end the black market is to let the shilling float. This will cheapen exports without improving the Ugandan living standards.

The Karamoja area of northeast Uganda has not yet emerged from the famine that killed 50,000 last year.

An Oxfam worker has claimed that the crops produced in the area will not be sufficient for their needs in the coming months and that serious famine will return by the end of this year. International relief agencies are being asked to continue their relief efforts beyond the August deadline.

While most regions have received good rainfall, it will not be enough to ensure good crop growth. Delays in seed distribution coupled with the fact that most of the people are pastoralists not farmers and therefore are not accustomed to agricultural production, add to the predictable food shortages.

## **Mexican paper proposes nuclear-for-oil deals**

Mexican political and media circles have given a resounding welcome to the agreements reached this week by President Reagan and President López Portillo. The determination shown by both presidents to improve relations between the two countries, and the outstanding suc-

cess of the summit, have made it hard for the vociferous Mexican left to build a case against Reagan. Leftist papers like *Uno más Uno* have impotently resorted to warnings against some astute trick by Reagan to get Mexico involved in "imperialist" designs in the Caribbean-Central American basin.

One kind of reaction is exemplified by the widely read "Candelero" column in the Mexico City daily *Ovaciones* which on June 10 proposed that the two governments follow up the summit "by increasing transfers of technology, especially in the nuclear field, in order to promote our development through nuclear plants. In exchange we could supply more oil and natural gas." The column then suggests that President López Portillo may have brought this issue up for discussion with Reagan.

The labor movement has also come out in support of López Portillo's handling of the Camp David summit. In a meeting attended by the president himself yesterday, Fidel Velazquez, head of the powerful CTM labor confederation, said that "a new era of relations with the United States has been opened . . . the Reagan administration definitely does not carry a Big Stick."

## **Palme Commission managing Mideast crisis?**

The Independent Commission on Disarmament and Security Issues, headed by former Swedish Prime Minister Olof Palme, meets the weekend of June 13 in Moscow, with the Israeli raid on the Iraqi nuclear facility high on its agenda.

The commission, formed last fall, uses the disarmament issue as a cover for managing political destabilizations and serves as a crisis-management channel between Socialist International networks, former Secretary of State Cyrus Vance, and Soviet KGB-linked networks around Georgii Arbatov and Gen. Mikhail Milshtein.

According to a source close to com-

mission executive Leslie Gelb, *New York Times* correspondent and Vance sidekick, the meeting, which was originally scheduled for Paris, will discuss prospects for renewal of arms control talks and nuclear proliferation. It is under the latter rubric that the Israeli raid will be discussed.

Among those attending the meeting will be Palme, Vance, former British Foreign Secretary David Owen, Arbatov, Milshtein, and Willy Brandt ally Egon Bahr. Brandt himself arrived in Moscow June 13.

Three months ago, Gelb, reported on commission discussions that the most serious flashpoint would be the Mideast, in a crisis evolving out of Israeli desperation. Gelb reportedly told a coworker at the *Times* that "the meeting could not come at a better time . . . everybody will want to exchange views on how to keep it [the crisis] under control."

## **P-2 ties into the 'French Connection'**

The same P-2 Masonic lodge at the center of the scandal which brought down Italy's government two weeks ago also coordinates the "French connection" that smuggled heroin into the United States. By tracing the activities of P-2 members in Latin America, *EIR* pinpointed a major drug-trading network.

Uruguay is the refuge taken by Licio Gelli, the grand master of the P-2 lodge, who is wanted by the Italian police. Gelli recently arrived in Uruguay from Europe, the daily *El Dia* reported June 4. His multifarious financial and real estate operations now occupy most of an office building in downtown Montevideo, *El Dia* notes.

During the early 1970s, U.S. drug enforcement officers noticed that, though Uruguay was kept meticulously clean of drug traffic, it served as the safehouse where most of the business deals and financing for narcotics flows in South America were arranged. Uruguay

## Briefly

● **HANS-JÜRGEN Wischnewski**, foreign policy aid to German Chancellor Schmidt, has blasted Israeli Prime Minister Menachem Begin for the bombing of Iraq's Osirak nuclear facility. Calling the action a "crass violation of international law," Wischnewski also cited the bombing as a threat to the security of the United States. The remarks were made June 11 in a speech before the Saarland regional Social Democratic Party, and were issued alongside a series of hard-hitting criticisms of Israeli policy in the German press and from leading political figures since the bombing raid.

● **HERBERT WEHNER**, vice-chairman of West Germany's Social Democratic Party, has virtually endorsed Israeli Prime Minister Menachem Begin's attacks on Schmidt as a Nazi, according to *Der Spiegel* magazine. In the presence of Israeli ambassador Yohanan Meroz, Wehner called Schmidt "an arrogant officer who wore that uniform which I never wore." Schmidt served in the German army during World War II, whereas Wehner was a high official in the Comintern.

● **EDOUARD SAOUMA**, Director General of the U.N. Food and Agriculture Organization, claims that now that China is a major contender for the limited amounts of international food supplies, there will not be enough for the other Third World countries. At an international meeting in Japan on world food problems, Saouma added that if China continues its present pattern of imports, "it would greatly affect the world's food supply."

● **PIERRE TRUDEAU** has run into problems in his push to have marijuana decriminalized in Canada. According to the Montreal daily *La Press*, Trudeau is facing growing opposition from his own Liberal Party members.

was the banking center for the "French connection" which channeled heroin into the United States from 1966 until the CIA broke up the American end of the operation in the early 1970s. Turkish opium was refined into prime No. 4 grade white powder heroin by Corsican mafiosi in the French port of Marseilles under the protection of the Socialist mayor, Gaston Defferre. The heroin was then transshipped through Argentina and Brazil to Paraguay, and then by a variety of relatively unpoliced routes brought up into the United States.

Gelli laundered the dope funds and other "flight capital" associated with the narcotics traffic. He set up the Banco Financiero Sudamericano in Montevideo in partnership with two other key bankers of the P-2 lodge, Humberto Ortolani and Roberto Calvi. Ortolani had the foresight to make himself ambassador of the Order of the Knights of Malta to Uruguay, which gives him diplomatic immunity and control of the Uruguayan coastal estate which enjoys extraterritoriality as the order's "embassy." This beach resort is reportedly now Gelli's refuge.

### **Islamic extremists in the ascendancy**

The ongoing power struggle between Iranian President Abolhassan Bani-Sadr and the fundamentalist mullahs loyal to Ayatollah Khomeini peaked last week with the dismissal of Bani-Sadr as commander in chief of Iran's armed forces.

The removal of Bani-Sadr from his post as chief of the army and his expected imminent ouster from the office of the presidency mark a victory for the extreme Dark Ages faction around Khomeini who consider Bani-Sadr's liberal brand of Islamic revivalism too soft. The dismissal also signals a decision by Khomeini's Anglo-American stringpullers to throw their weight behind the spread of Islamic extremism throughout the region.

According to intelligence sources, the pro-Khomeini clergy, with Bani-Sadr out of the picture, are expected to launch a major military operation against Iraq over the coming weeks, escalating joint Israel-Iran coordination to create the conditions for toppling Saddam Hussein from power in Iraq.

The removal of Bani-Sadr follows a series of setbacks for his faction, including the forced resignation of his ally Ali Reza Nobari, the central bank governor, and a parliamentary decision pushed through by the mullahs to restrict his right as president to veto legislation. So stripped of his powers, Bani-Sadr is now expected to resign—or be ousted—from the presidency within a matter of days.

Another blow to Bani-Sadr—and to his abilities to fight back—was the forced closure of the Office for Coordination of the People's Cooperation with the President. The office had been organizing support for Bani-Sadr throughout the country. The U.S. advocates of restored ties with Iran have problems ahead.

### **Poland fails to pay its debts**

The Polish central bank did not meet the June 10 payment deadline on a \$30 million five-year note. The missed payment, which will only be declared a default after a period of several weeks, shocked more people than those at the banks involved, which included Amex Bank Ltd., Manufacturers Hanover Ltd., Crédit Lyonnais, Société Générale, Banque Arabe & Internationale d'Investissement, Kredietbank S.A. Luxembourg and the Hungarian National Bank.

The Bank Handlowy note would have been covered had Poland's commercial creditors followed the rescheduling agreement achieved for Polish state debt earlier this year on French initiative when the Giscard government was still in power. But at a May 20 meeting, several commercial banks raised objections to the plan, stalemating the talks and leaving banks open to default as the loans come due.