

International Intelligence

Papandreou attacks American Establishment

Greek Prime Minister Andreas Papandreou blamed the "American Establishment" for coordinating the destabilization of his government in a nationwide televised address on March 9.

Papandreou, according to West Germany's Southwest Radio, said "Now we know who's behind the plot. It's the American Establishment. Koskotas is the Trojan Horse."

Koskotas is a 34-year-old officer at the Bank of Crete, who is sitting in a U.S. jail in Salem, Massachusetts facing possible extradition to Greece on charges of involvement in numerous financial scams. After remaining silent for the weeks following his arrest, Koskotas has now given an exclusive interview to *Time* magazine, which is published as the lead item in the March 17 international edition of *Time*. In this interview, Koskotas explicitly mentions Papandreou and various Greek government ministers, as involved in the Bank of Crete's illicit dealings.

The publication of the *Time* interview has led to a spate of calls within Greece and within Papandreou's PASOK party, for him to step down.

'Get LaRouche' task force attacks EIR Rome office

The Rome offices of the *Executive Intelligence Review* were invaded with a show of paramilitary force on March 13, in which 10 officers of the tax police of the Guardia di Finanza (the border and tax police under the order of the Ministry of Finance) entered the premises with a mandate to put the financial management of *EIR* in Italy under scrutiny and "administrative audit."

This action in Italy against a publication and political movement linked to the ideas of Lyndon LaRouche, the former U.S. Democratic presidential candidate, signals that the "Get LaRouche" task force is esca-

lating action against targets outside the United States. The action in Rome was clearly taken on the orders of the U.S. State Department of James Baker III which is seeking to intimidate and close down the press connected with LaRouche.

In the past weeks, both the U.S. Ambassador to the Vatican Frank Shakespeare and Ambassador to Italy Max Rabb, have been caught red-handed in spreading slanders and disinformation against LaRouche to the Catholic Church and to the Italian state. These slanders were denounced in news releases put out by the Commission to Investigate Human Rights Violations.

During a pro-LaRouche demonstration in front of the U.S. consulate in Milan recently, Mr. Borgioli, the consulate officer appointed to the LaRouche case, warned the demonstrators of future tax problems for the LaRouche movement in Italy.

So far there has been no official reaction by the Italian government on this overt interference into its internal affairs.

Soviets fear Kissinger impact jeopardized

Moscow fears that Bush's troubles may jeopardize Kissinger's impact in the new administration due to the "sluggish start made by the new administration" in the United States, according to the lead editorial in the London Sunday *Observer* March 12.

The *Observer* reports that Moscow is worried about "memories of 1977, when Carter took over and his new team of Cyrus Vance and Zbigniew Brzezinski rewrote American policy, determined that whatever Henry Kissinger had done, they would do the opposite."

"Russian fears are probably misplaced," says the *Observer*, "but there is an unfortunate parallel between Carter and Bush." Indicative is James Baker's "refusal to set a date for a summit meeting" in his talks with Soviet Foreign Minister Eduard Shevardnadze in Vienna. The uncertainty of Lawrence Eagleburger's appointment as deputy secretary of state because of his relationship to Kissinger Associates was registered with

alarm in Moscow.

Eagleburger is indicative of the problems Bush faces, wrote the *Observer*. "The shadow of Henry Kissinger hangs like a vulture over this administration, and even the shadow of Henry is enough to have his old enemies in the Senate sharpening their knives." In this precarious situation, "Baker was relieved that Shevardnadze did not unveil any dramatic initiatives in Vienna."

Soviets own up to blitzkrieg divisions

The Soviet Union has confirmed that there are five *blitzkrieg* super-divisions in Eastern Europe pointed at the West, the March 14 *Washington Times* reports. The *Times* says that a Pentagon consultant is prepared to confirm this to a House Armed Services panel.

The Soviets have denied the super-divisions' existence for years. The admission gives "credibility to U.S. and NATO arguments in recent years that the Soviets have been building a preemptive attack option," said Philip Karber, a private NATO-Warsaw Pact specialist and vice president of the BDM Corp., a defense contractor and consultant. The units are called Operational Maneuver Groups (OMGs).

"If these OMGs are disbanded, the ability of the Soviets for surprise attack will be drastically cut," said Karber. But even if they were, he said, NATO and the U.S. should not cut their forces—at least until the end of 1990, when Gorbachov's announced phase-outs are scheduled to be completed.

U.S. putting Egypt on chopping block

A few days after threatening Egypt with an economic aid cutoff if it does not implement the full package of IMF measures, the Bush administration is brandishing a further cut in military aid because of Cairo's alleged work on a chemical weapons plant.

At the beginning of the week of March

Briefly

5, Washington warned that further economic aid was totally dependent on Egypt's meeting IMF demands by June. A congressional delegation just back from Egypt said that they "doubt Cairo's real willingness to implement the IMF measures."

Egypt is now also being threatened by the immediate implementation of the "Brooke Amendment," meaning a cut in military aid, if by June it has also not paid its arrears in military debt.

The *New York Times* alleged on March 10 that Egypt contracted Krebs and Co., a Zurich-based firm, to build a pharmaceutical plant in the Al Zaabal region near Cairo. Based on the fact that the Al Zaabal is a military region where M-1 tanks are being built, the conclusion reached was that the plant was a cover for chemical weapons production, despite the fact that it has not been inspected.

Under U.S. pressure, the Swiss government urged the firm to withdraw from the deal, which it did.

The government defended its economic reforms March 15 in response to the announcement that the United States is withholding \$230 million in cash. "Our feeling is that a lot of the economic analysis in Washington is tinted by the kind of analysis done by the IMF," a high-ranking Egyptian official told the *Washington Post*. "Our concern is that the IMF programs are demand-oriented. We have social problems we cannot ignore."

Lebanese launch attack against Syrian army

The Lebanese Armed Forces, under the direction of interim head of state Gen. Michel Aoun, for the first time launched a direct military attack against Syrian armed forces inside Lebanon March 14. The fighting, which erupted between rival Christian and Muslim forces in and around Beirut, was described as the most intensive warfare in two years.

In a statement issued from his official headquarters, General Aoun announced, "We have only one goal, which is to liberate

our land. We cannot any more be under the mercy of the Syrian gun." General Aoun called on the residents of West Beirut to start an "uprising of stones" against Syrian troops and declared that "national liberation has begun."

State-controlled Syrian radio charged March 15, according to the *Washington Post*, that Aoun would not have attacked Syrian military positions unless he had a "green light" from Israel.

Alan García predicts Latin debt suspensions

"The most correct decision of my government was to limit debt payment," Peruvian President Alan García told a nationally televised press conference March 9. He said the explosion in Venezuela is an example for countries that still want to pay the debt of what happens, and said that had Venezuela adopted Peru's policy of not paying creditors, if it leads to a net outflow of resources, Venezuela would now have \$15-20 billion in its reserves, instead of only \$6 billion, all committed to paying letters of credit.

García justified Peru's not paying the Inter-American Development Bank, saying why should Peru pay \$101 million to receive only \$17 million in new loans. To charges he had "isolated" Peru from the banks, he retorted, "We believe that he is isolated who loses his dollars in paying, without receiving anything in exchange. . . . We have the consolation of saying that at least we ate our reserves."

Peru, he said, has advanced the idea of retaining for needed imports most export dollars earned. Had Peru paid debt service, "we would have had no reserves and the country would not have been able to grow as it did in 1986 and 1987. We would have had to send a letter to the IMF, not of intent, but saying: 'Help IMF, come and do with us what you will.'" García predicted many forced payment suspensions, and said the only answer is a new Monetary Fund for Development.

● **CARLOS ANDRES PEREZ**, the President of Venezuela, was sent a telegram by Amnesty International calling on the Venezuelan government to investigate reports that police entered people's homes and killed them, mistreated prisoners, "disappeared" some people, and committed other abuses during house searches and arrests made possible by a suspension of constitutional guarantees, according to press reports March 13. A government spokesman denied there had been any such complaints.

● **KONRAD LORENZ**, the late Nazi ecologist, former SS trooper, and Nobel Prize winner, declared that the disaster at "Chernobyl was not big enough. We need the destruction of an entire city, like New York or San Francisco," in his last interview only days before he died, which appeared March 9 in Italy's *L'Espresso*. Lorenz also said he had "a certain sympathy for AIDS. This threat can destroy humanity, but it is important because it can also stop humanity from otherwise destroying itself."

● **ALL ETHIOPIA** is now engulfed in a severe meningitis epidemic, which began last September. The Public Health Ministry has registered 6,700 ill and 629 dead, and the government is requesting vaccines for several million. International agencies place the number of stricken much higher.

● **KOREAN VILLAGERS** attacked the U.S. target range at Kumi March 13, adding to \$10,000 damage done the week before. At the same time, 5,000 striking students and workers burned effigies at Yonsei University of South Korean President Noh Tae Woo and Hyundai group owner Chung Ju-young. An outgrowth of the student-labour radical alliance has left the largest shipyard, in S.E. Ulsan, paralyzed for three months.