

International Intelligence

Cyprus to flare up over 'Armenian' terror?

Cyprus may again become an international crisis-point.

Turkish government sources have expressed fears that the Armenian Liberation Army terrorists, responsible for the murder of a Turkish military attache in Canada, may relocate their training camps (formerly in Beirut) to the Greek part of Cyprus, arriving there disguised as Palestinian refugees.

At the center of suspicion in the Canadian assassination and other "Armenian" terrorist attacks is Nicos Sampson, the Paris-based head of the nominally Greek EOKA-B terrorist gang. Israeli investigative journalist Yigal Laviv has pointed out connections between Sampson, British intelligence, and a faction of the Israeli Mossad. Turkish diplomatic sources suspect that the "Armenian" terrorist attack on the Ankara airport earlier in August was set up by Israeli intelligence elements seeking to foster closer Israel-Turkey intelligence cooperation against Arab nations.

Hence Cyprus could become the focus of a manipulated crisis with international implications. The Kyprianou government on Cyprus has denied the existence of the Armenian bases.

Meanwhile the French government has given Sampson free rein, and is on record supporting the Armenian "liberationist" terrorists, who have now set up training bases on the island of Corsica.

Socialist vultures eye Spanish elections

The most enthusiastic response to the announcement that early general elections would be held in Spain on Oct. 28 came from the Socialist Party of Felipe González. González is the man whom Socialist International head Willy Brandt recently introduced at a Social Democratic rally in Wiesbaden, West Germany, as "the next President of Spain."

The elections had not been due to occur until the spring of 1983. The call for early

elections by Prime Minister Calvo Sotelo and his almost defunct Center Democratic Union (UCD) Party is ensuring that Henry Kissinger's plan for a replay of the civil war of the 1930s, through a left-right polarization of the political scene, will be unleashed sooner than expected. Socialist González has already rejected any alliances with other parties.

González's strongest competition at the moment is the Falangist Popular Alliance party (AP) led by Manuel Fraga. With the rapid disintegration of the ruling centrist UCD, and the lack of time for other moderate groups to consolidate—e.g. the recently created party of former Prime Minister Adolfo Suarez—the center is heading for a poor showing at the polls.

It is in this context that Pope John Paul II's visit to Spain is planned for Oct. 14-22, a few days before election day. Following speculation that the Pope would postpone his trip—a demand most vociferously made by the Socialists and Communists—the Vatican announced Aug. 31 that the visit would occur on schedule. The Pope's presence in Spain could become an important element favoring indirectly the more republican-minded conservative groups.

The Mitterrand 'anti-terrorist' caper

The nature of the Mitterrand government's newly found resolve to combat terrorism was illuminated by a series of events that made headlines at the end of August in France.

The presidential Elysée Palace on Aug. 28 announced that the just-created State Secretariat for Public Security had successfully coordinated the arrest of three "very dangerous international terrorists" in the Paris suburb of Vincennes. For 48 hours a blackout was maintained on the identity and connections of the arrestees, while the state-run radio and TV networks crowded over Mitterrand's triumph.

Then it came out that the two men and one woman arrested were members of the Irish National Liberation Army, whom French security forces had known about for months, and whom Scotland Yard had no files on whatsoever. Sources at the French

criminal police say that the whole thing was a "bluff" on the part of Mitterrand, who is said to have withheld permission to move against the Irish terrorists until he needed the publicity. Meanwhile the law-enforcement professionals of the French criminal police were acting on information provided by Magistrate Fernandino Imposimato, who has been leading the anti-terrorist drive in Italy. They arrested Oreste Scalzone, a key theoretician for Italian terrorists and leader of *Autonomia Operaia*, the "above-ground" leftist recruiting pool for the Red Brigades.

Scalzone's arrest was the result of cooperation between Italian investigators and elements of the French police whom Mitterrand and his Justice Minister, Robert Badinter, have attempted to undercut. The issue of the Socialist Mitterrand government's protection of terrorists will now be forced, because Italian authorities will be demanding Scalzone's extradition.

Will Mubarak follow López Portillo's lead?

An ongoing study of the economy of Egypt by International Caucus of Labor Committees Mideast intelligence reveals that it is plagued by the same capital-flight phenomenon which afflicted Mexico. As of late 1981 it was estimated that Egypt's freewheeling private business and banking sector held at least four times the liquidity of the foundering public-sector enterprises.

Since the advent of Henry Kissinger's and David Rockefeller's Open Door policy for Egypt in 1974, the Egyptian economy has been turned into a hot-money playground, with hotel construction and tourism now two of the fastest-growing sectors of the economy. The aging heavy-industrial and agricultural sectors have been starved for credits, and virtually no new plant and equipment has been built. Since 1974 the service-rentier sectors of the economy (including oil exports) has climbed from 33 percent of the total foreign exchange earned to 85 percent. In the last 24 months there have been almost 100 hotel starts in Egypt, while there is a housing shortage of up to 750,000 units. Thousands of the urban poor live in the municipal cemetery.

Since the food riots in 1977, which were triggered by IMF conditionalities, both the IMF and the London and New York banks have been pressuring Egypt to cut food subsidies as an "internal economic adjustment." Since Mubarak took power in October 1981, he has maintained that the economy is his number-one priority and has staunchly resisted pressure to cut the subsidies. On Sept. 1 Mubarak removed seven ministers from his cabinet following a fight over this very sensitive issue. Mubarak then announced that he would take advice neither from inside or outside the country, on ending food subsidies.

In 1956 Gamal Abdul Nasser nationalized Egyptian banks just after the Suez crisis.

Italians crack major mafia-terrorist ring

Italian judge Carlo Palermo, from the northern city of Trento, culminated an extraordinary two-year anti-drug operation at the end of August with the arrest of 63 people in the Trento-Verona-Trieste area, a center of drug distribution for the entire European continent. The operation unmasked a very efficient international organization involved in drug-pushing and weapons smuggling, which was connected to both red ("left") and black ("reactionary" fascist) terrorist organizations.

These interlinked organizations were all working under the umbrella of the Sicilian mafia and the Camorra and n'Drangheta (Naples and Calabrian mafias), with the cooperation of important politicians. "There is no difference between political and normal organized crime," said Judge Palermo at a Milan press conference following the arrests.

Judge Palermo ordered the arrests on the day following the explosive interview given to a Rome newspaper by Rome Judge Imposimato, where the latter declared that "proof exists of definite links between the Red Brigades and the Camorra (Neapolitan mafia) through which, albeit indirectly, the terrorists are linked with some sectors of the public (political) powers. . . . We can unmask them. . . . The Camorra and the Cal-

abrian Mafia are very useful to the Red Brigades, both because they share the aim of destroying the State, and because they (the mafias) provide great assistance in organizing jail breaks."

The operation began with the arrest in 1980 of Karl Koffler and Herbert Oberhofer, two associates of the Hapsburg-controlled West German opposition leader Franz-Josef Strauss. Both were found with huge caches of narcotics believed to have been smuggled in from Turkey via the networks of the Grey Wolves, the organization of Pope John Paul II's would-be assassin. Oberdorfer was also involved in an oil-smuggling operation run by P-2 Freemasonic circles in Italy's treasury police.

Koffler was later assassinated in prison, while Oberdorfer was shifted to a mental hospital to "protect" him.

Philippines president puts army on alert.

Philippines President Ferdinand Marcos has put his army on alert in the wake of potentially large-scale destabilization efforts exposed by Philippine military intelligence in mid-August. The plot to overthrow the Marcos government was supposedly hatched by a left wing-connected labor leader, Felix Alalia. The plan was allegedly to cripple the country's economy by a nationwide labor strike, to create chaos by exploding bombs in urban areas and to assassinate government officials during President Marcos' scheduled visit to the United States in mid-September.

The Philippines army confiscated a large amount of firearms, with the arrest in June of a top-level leader of the underground Maoist organization. It is alleged that the Maoist leader had cooperated with a Filipino businessman in the purchase and shipment of AK47 and Makharov firearms from Syria and Lebanon.

In this context the Philippines Labor Ministry is investigating reports that Australian and Japanese trade unions are involved in meddling in labor strikes aimed at discouraging establishment of production plants in the Philippines by Japanese and Australian investors.

Briefly

● **ELISABETH KÜBLER-ROSS** has been barnstorming through West Germany to propagandize for her "death with dignity" movement, to the accompaniment of a loud media fanfare especially from the Springer press. She appears in the Ruhr industrial city of Duisberg Aug. 28, where 5000 gullibles and death-cultists are expected. On Sept. 12 she heads for Scandinavia. Meanwhile the European Labor Party is publicizing the fact that Kübler-Ross's 1979 "sessions with the dead" in California were orgies which involved children.

● **TIMOTHY LEARY** is also touring the "respectable" cult-circuit in West Germany. The Sept. 4 appearance in Hamburg of the guru of the "turn on, tune in, drop out" generation is sponsored by the city's ministry of culture.

● **UMBERTO II** of the House of Savoy, the 1,000-year-old oligarchical family of Italy, is attempting to return to the nation which kicked him out by national plebiscite in 1946. His attempt to circumvent the Italian constitution is being aided by Socialist Party leader Bettino Craxi, who would like a replay of the Savoy-fascist collaboration of 60 years ago. A forthcoming *EIR* will report on these developments in detail.

● **PRINCE CHARLES** of Great Britain, in an interview with the *Washington Post* Sept. 1 says that he has lately taken to studying the writings of Nazi psychologist C. G. Jung for inspiration on "the psychology of humanity," adding that his only real belief is that "small is beautiful." "I feel that we have concentrated too much in the last 10 years on the economy of scale and things being enormous and therefore successful. I think that all that happens is that the individual becomes submerged and you defeat the original purpose of the exercise. . . . So much sophistication, so much technology, so much waste has made us blasé and complacent."