

International Intelligence

Bronfmans aid the Muslim Brotherhood

Six months after the conviction of Space Research company chairman Gerald Bull for weapons smuggling, and the firm's subsequent reorganization, the company's controllers, the Bronfman family and Arthur D. Little and Company, have sold Space Research to Saad Gabr, an agent for Pakistani dictator Zia ul-Haq who runs a multimillion-dollar electronics patent empire out of the tiny Quebec resort town of North Hatley, near Space Research's property.

Gabr's Ummah Islamiya Institute, also in the town, is cosponsored by Saudi Arabia's Prince Nawaf, a friend of Libya and patron of Chicago's East-West University.

The university, like the institute, has been under investigation for safehousing Libyan terrorists.

Space Research was documented as of 1977 to have smuggled advanced howitzers and ammunition to the Republic of South Africa for use in the Angolan war; to Israel; and, through Israeli arms smuggler Shaul Eisenberg, to Iran. Space Research also has documented links to terrorist networks in the Caribbean, through its bases in Antigua, Dominica, and Barbados.

Negotiations proceed on gas pipeline

Details are beginning to emerge about the Bonn-Moscow negotiations on the planned, controversial gas pipeline deal. "The cornerstone has been laid," a leading West German banker told the business daily *Handelsblatt* July 24. The Soviets will reportedly pay an effective 8 percent interest rate on about DM 4 billion for equipment to be financed by German banks; two-thirds of that will be channeled through the *Ausfuhrkredit Gesellschaft*, which has access

Bundesbank's special discount facility for export credits.

The remaining DM 7 billion will be financed by Mannesmann, the pipe supplier, in the form of annual tranches at floating rates, but essentially along the same guidelines that pegged the 8 percent effective rate, bankers say.

Mannesmann has ongoing trade relations with the U.S.S.R. which the deal will increase to 1 over million tons per year in deliveries, secured for at least three years.

The Bundesbank recently increased the limit on the export credit facility from DM 2 billion to DM 5 billion, but denies that this was done in order to help finance the gas deal.

The central bank also refuses to confirm that the facility will also be open for Mannesmann to reduce its own interest rates for suppliers' credits.

EIR bureau chief visits Mexico

Richard Cohen, Washington bureau chief of *Executive Intelligence Review*, held a July 27 press conference and a private seminar in Mexico City. At the press conference, attended by every newspaper and television network in the city, Cohen explained how Mexico could help spring President Reagan from his adherence to the Federal Reserve's interest-rate policies, and turn the North-South summit meeting this October in Canún, Mexico into a counterattack against the International Monetary Fund's credit controls and population reduction programs.

The television networks conducted interviews with Cohen, focusing on questions of immigration policy. Cohen issued a warning about Father Theodore Hesburgh's visit to Latin America—the Notre Dame "close the border" advocate was in Mexico at the time—as designed in part to spur conflict between Reagan and Mexican President José López Portillo over immigration issues.

Nucleo Radio Mil, one of Mexico City's largest stations, carried Cohen's warning that unless Federal Reserve Chairman Volcker's policies are reversed, there will be an economic collapse. The evening newspaper *El Universal Grafico* ran a front-page report on Cohen's analysis of Reagan's interim capitulation to David Rockefeller's Trilateral Commission policies for the Caribbean.

Socialist mafia tries to cut out 'Gaullists'

The discovery last month of the mutilated body of Police Inspector Massie in Marseilles has generated a series of scandals and intelligence wars. Massie was a top official in the SAC intelligence branch which was set up by the "Gaullist" wing of the Corsican mafia in 1938 to fight the OAS during the Algerian war, but quickly became a cover for drug trafficking and other illegal operations.

Interior Minister Gaston Defferre, a leader of the opposing Socialist wing of the mafia, has used the incident to try to purge the SAC, arresting its national leader, Debizet, and the chief of the Marseilles regional SAC, Yves Destrem, both non-Socialists.

Destrem, the Marseilles Communist Party daily reported July 27, was also a member of a secret Masonic organization, "The Templars," headquartered in Zürich, which ran military camps in southern France and is allegedly implicated in arms and narcotics traffic. The Communist newspaper, called *La Marseillaise*, charges that the murdered Massie himself was involved in arms deals for the Italian Red Brigades, through the Italian Freemasonic fascist lodge, Propaganda-2.

According to this report, Massie was killed because he tried to pocket the receipts from an arms shipment going to the Red Brigades.

The Socialists meanwhile moot the prospect of going after Gaullist bigwigs

like General Secretary Bernard Pons and Jacques Chirac himself, under the auspices of the SAC scandal. The SAC leaders and their attorneys, in turn, have threatened to make counter-revelations on the Socialists' ties to the narcotics business.

As of July 30, the latest indications were that Massie had been a double agent for the Socialists within the SAC. His lawyer, Michel Pezet, heads the Socialist Federation for the Mediterranean Marseilles region.

Behind the charges and counter-charges remains the fact that for many years the Socialists' and Gaullists' Corsican-linked operations have worked in tandem, since the days of the "French Connection" heroin racket which Deferre, as mayor of Marseilles, is known to have protected, and in political maneuvers against former President Valéry Giscard d'Estaing. Now that the Socialists have assumed state power, they are trying to bump aside their Gaullist counterparts.

P-2 scandal breaks out in Brazil

The reverberations of Italy's P-2 (Propaganda 2) scandal are still being felt in the South American haunts of P-2 Grand Master Licio Gelli. Last week, the 12th assembly of the Brazilian Confederation of Symbolic Masonry summarily expelled the P-2 members for refusing to answer certain questions that have been raised by Italian police.

The biggest question was how the 19 Brazilian P-2 members, gathered in the Rio-based World Organization of Masonic Thought and Assistance, managed to send Gelli sufficient funds in 1976 for him to buy a \$8 million Roman villa for the cult's headquarters. The P-2's Guanabara Lodge in Rio has the largest concentration of P-2 members outside of Italy, but all of them are middle class professionals with little apparent connection to Italy, politics, or high finance.

Their serving as conduits for Gelli's dirty money was uncovered in documents found in Gelli's daughter's baggage in Italy last month and was not denied in the Brazilian Masonic inquiry.

Clues may come from Argentina, where the P-2 government of Isabel Perón and her Svengeli, José López Rega, were overthrown in 1976.

Retired Admiral Emilio Massera, who earned himself P-2 membership by trying to persuade the military to allow "Perona" to stay in power, has just announced his plans to become president of Argentina.

Massera merits careful scrutiny. Like his Italian comrade, PSI leader Bettino Craxi, Massera is fully plugged into both the Socialist International and the fascist P-2 crowd. More than a few eyebrows went up in Argentina when the signatures of Mrs. Perón's closest aides appeared on a newspaper ad supporting Massera in his dramatic confrontations with the incumbent government of General Roberto Viola.

Italian CP and DC bow to Socialists

Enrico Berlinguer, secretary-general of the Italian Communist Party, announced July 27 his support for French Socialist President François Mitterrand, and advocated a Mitterrand-style government for Italy. His startling statement also included a condemnation of Christian Democratic (DC) leader Giulio Andreotti, his erstwhile de facto ally against the Socialists.

Andreotti himself had just announced that he is ready to work with the Socialists, whose chairman, Bettino Craxi, has been approvingly designated "the new Mussolini" by sections of the Italian press. Andreotti stated that he had resolved his differences with the Bisaglia wing of the Christian Democrats, the faction most committed to helping Craxi to power.

Briefly

● **THE BUNDESBANK** is ruining West Germany through its high interest-rate policy, said the Ruhr region's chairman of the national Trade Union Federation (DGB) in a series of interviews in July. Siegfried Bleicher told the DGB weekly *Welt der Arbeit* that the Bundesbank is "an institution not under any parliamentary control yet still able to shape state economic policies, as it does here in the Ruhr region." This independence of the central bank should be challenged by the trade union movement, he said.

● **BEGUM NUSRAT BHUTTO**, leader of the Pakistan People's Party, was released from a Pakistani jail July 22 as a token response to pressure exerted from Washington. Reportedly Gen. Zia ul-Haq had been informed that the U.S. Congress was uncomfortable with backing arms sales to Pakistan at a time when Zia has shown no signs of relenting on political repression of his opponents. The same sources indicate that Zia chose to release Mrs. Bhutto and not her daughter Benazir, because he fears Benazir's political organizing capabilities.

● A "COMMITTEE for Cattenom" has been formed in France to defend the construction of the nuclear plant there from President Mitterrand's attempt to close the complex, which is projected to comprise four 1,300 megawatt reactors. Located in the Lorraine region of northern France, two of its reactors are already built. Mitterrand hopes to delay the go-ahead past September, when the next engineering stage must begin.

● **INDIA's** six-month ban on strikes in vital industries, announced July 27, is aimed at undermining the social democratic and Maoist networks who control the trade unions in those sectors, and are determined to destabilize the government of Indira Gandhi.