

# International Intelligence

## ***Soviets comment on Muslim Brotherhood***

Alexander Bovin, the Soviet newspaper commentator who has criticized the decline of Iran under Ayatollah Khomeini, has linked Khomeini's policies to the clandestine Muslim Brotherhood operating throughout the Middle East. Although Soviet writers have noted the Brotherhood's activities in Afghanistan and Syria, *Izvestia's* Bovin broke new ground by referring to a coordinated Brotherhood offensive in Iran and Turkey as well.

In a joint interview given by Bovin and Central Committee official V. Kobysh to the weekly *Literaturnaya Gazeta*, Kobysh commented on the new U.S. administration that Reagan and his advisers appear to "see the normalization of Soviet-American relations as a top priority. . . . If Soviet-American relations were of a different character, it would be easier to feel out a mutually acceptable solution" to the Persian Gulf situation.

## ***Mission to Mexico: Rockefeller and Butcher***

David Rockefeller brought his "retirement" roadshow into Mexico last week. He held court for three days, seeming to do everything possible to undermine friendly ties between Ronald Reagan and President López Portillo.

Rockefeller particularly underscored his "regret" that Mexico had opted not to join either GATT or a U.S.-Mexico-Canada common market. Reagan had deliberately avoided both sore points in his border meeting with López Portillo Jan. 5, and had stressed the need to forget past difficulties in relations.

Rockefeller introduced his successor as president of Chase Manhattan Bank, Willard Butcher, to Mexico's banking elite as well as several government officials. He made a similar trip to Argentina and Brazil six weeks ago.

At a luncheon in his honor hosted by Manuel Espinoza Iglesias of Bancomer, Rockefeller claimed that the U.S. is "moving out of its recession" because of government collaboration with private banks. In a press conference, he and Butcher insisted that Volcker's high interest-rate policies were appropriate and that Volcker must remain as Federal Reserve chief. The high U.S. rates forced Mexico to raise its rates even higher to retain deposits.

Espinoza Iglesias termed Rockefeller "an edifying example. The correctness of his thinking on the problems of our economies is a clear light that he has generously been sharing, in the midst of a problematic world."

## ***Spate of terror bombings hits China***

Press reports from various localities in China describe an outbreak of sabotage, bombing, drug dealing, "counterrevolutionary" leaflets, and other organized opposition to the regime. These incidents, considered serious enough to be condemned in the press, occurred as current strongman Deng Xiaoping tried to assure worried Japanese visitors that China is not going through a power struggle, and indeed is more stable than it has been since the early 1960s.

Shanghai's *Liberation Daily* reports: "Recently in Shanghai and other places . . . there are people who wish to plunge the nation into chaos and are using the methods of the Cultural Revolution to engage in incitement and trouble-making. People are manufacturing bombs, have distributed counterrevolutionary leaflets opposing the leadership, and have formed illegal organizations. Criminals are disrupting the economy, engaging in bribery, selling state secrets, murder, arson, robbery, large-scale gambling, rape and gang rape, kidnapping and drugs." A report from the *Liaoning Daily* in Manchuria reports elements who are "inciting sabotage and planting bombs."

London *Times* correspondent David Bonovia reports speculation that behind the terror bombings may be military circles dissatisfied with Deng's power grab, and that soldiers may be among the bombers.

## ***CABA outlines a U.S.-Mexico setup***

The Committee Against Brilab and Abscam (CABA), a group formed to oppose the Justice Department's antilabor entrapment witchhunt, has warned of the appearance of a new FBI scam, "Mexscam," according to the January issue of *The American Labor Beacon* newsletter.

In the new Mexscam operations, CABA reports, FBI agents pose as front men for wealthy Mexican families and impersonate relatives of prominent Mexican politicians to gain the confidence of their targets.

As with the Abscam cases, the Mexscam operatives will create paranoia about engaging in legitimate business relationships with Mexico, the CABA statement charges.

CABA announced that its contacts in Mexico are competent to check the bona fides of any alleged Mexican investor. CABA invites anyone with questions about potential business deals to write to the committee at: P.O. Box 1081, Trolley Station, Detroit, Michigan, 48231.

## ***India launches a diplomatic initiative***

The February meeting of the nonaligned nations in New Delhi will be shaped by Indian Prime Minister Indira Gandhi's current dispatch of high-level emissaries to each attending nation to lobby for proposed talks between Afghanistan and Pakistan. While nonaligned members like Singapore intend to use the conference to stiffen anti-Soviet diplomacy,

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Mrs. Gandhi's effort to defuse the Afghan hotspot reflects the proposal of Leonid Brezhnev, made during his recent visit to India, for negotiations to establish a neutralized zone in the Persian Gulf area.

Pakistan has reversed its former opposition to talks on Afghanistan; China remains the major power opposing negotiations. The Pakistani reversal is believed to reflect pressure from Saudi Arabia, which subsidizes the government of Ziaul Haq.

India clearly wants the nonaligned movement to make economic growth, not "Third World radicalism," its guiding principle. The Indian draft declaration for the conference specifies "a new, rational, equitable, universal monetary system which should be consistent with liquidity and development needs of the developing countries."

### **People's Republic challenges EIR**

A Jan. 14 seminar on U.S.-China relations in Washington, D.C., sponsored by the *Executive Intelligence Review*, produced animated debates. Seminar participants were Dr. Richard Walker, director of the Institute of International Studies at the University of South Carolina and a member of the Asia policy advisory group to Ronald Reagan during his presidential campaign; Stefan Kozak, president of the Committee for a Free China and a retired 20-year veteran of the U.S. Foreign Service; *EIR* Editor-in-Chief Criton Zoakos; and *EIR* Asia Editor Daniel Sneider.

The discussion period featured a formal prepared response to the *EIR*'s recent analyses of China, delivered by Chen Hui, executive director for the People's Republic at the World Bank. Chen characterized *EIR*'s "analytical approach and methodology" as "questionable," because it ignores "the Chinese masses and their aspirations." He then called for the Reagan administration to join China in a front against the Soviet Union.

If China will undergo instability or even chaos as some people—referring to *EIR*—predict, Chen said, wouldn't that allow the Russians to withdraw their forces along the Sino-Soviet border and redeploy them either in the direction of the Persian Gulf or directly in Europe?

In attendance at the seminar were representatives of Bendix, Coca-Cola, Honeywell, IBM, Control Data, GE, GT&E, Mitsui, Fuji Bank, Dow Chemical, Armco Steel, and other corporations; delegates from Singapore, Zaire, Indonesia, India, Pakistan, Venezuela, Italy, the U.S.S.R., Hungary, Taiwan, and South Korea; and officials of the IMF, World Bank, U.S. State Department, Defense Department, Joint Chiefs of Staff, Commerce, Treasury, and Export-Import Bank, as well as congressional staff members.

### **Willy Brandt wants 'social convulsions'**

U.S. think-tankers and European social democrats say they consider 1981 a year with greater potential than 1967-68 for the destabilization of Western Europe, especially West Germany. The Chairman of the Socialist International, Willy Brandt, is described as "looking toward a social convulsion in Europe around which to reorganize and re-invigorate the Social Democracy for the period ahead." Brandt, who also chairs the West German Social Democratic Party and leads its left wing, is loyal only to the Socialist International, not to SPD Chancellor Helmut Schmidt, sources confirm. Schmidt's 1978-80 economic development initiatives in tandem with French President Giscard have already been set back.

The upcoming retirement of SPD parliamentary whip Herbert Wehner is expected in these circles to signal an outright split in the SPD and paralyze the government. Wehner has patched over differences between the party's environmentalist left and the advocates of growth and stability, who have thus succumbed to sterile compromises.

● **MCGILL** University's Trans-cultural Psychiatric Department has come under suspicion for its role in recent cult outbreaks in Kano State in northern Nigeria. Also under suspicion is the Cuban Communist Party's Central Committee.

● **THE HAMBURG** executive board of the Social Democratic Party voted 10 to 2 in favor of completing the Brockdorf nuclear plant. The Jan. 11 vote overruled SPD Mayor Hans-Ulrich Klose, who has vowed to continue to try to shut down nuclear energy production.

● **THE TRILATERAL** Commission's Task Force on the Middle East met in Washington Jan. 14-15 in a private session at the Cosmos Club. Participants included Italy's Arrigo Levi; Japan's Ambassador Kideharra; and the U.S.'s Joseph Sisco, a former State Department underling of Henry Kissinger's. Subjects discussed include "the relationship of the West to the Islamic movement" and "the restoration of a full geopolitical relationship with Iran once the hostages are out."

● **POLAND'S** government has commissioned a panel of economic experts who released a draft economic reform that reportedly would make the zloty convertible as a step toward integrating Poland into the Western monetary system. The move is favored by the International Monetary Fund.

● **RICHARD FALK** will participate in a People's Tribunal, modeled after Bertrand Russell's, to be held in Mexico City on the El Salvador situation, unless he is deterred by officials who recall his involvement in similar events favoring Khomeini in Iran before the shah's fall, and in opposition to the Marcos government in the Philippines.