

International Intelligence

Zamyatin denies Moscow arms Salvadoreans

Leonid Zamyatin, head of the Soviet Communist Party's Central Committee Information Department, stated Feb. 25 that "The Soviet Union does not provide El Salvador with arms. It never has. It never will."

Zamyatin continued, "The President [Reagan] is absolutely incorrect. When the State Department invents White Papers that repeat lies many times, the lies do not become the truth." Zamyatin said that the Salvadorean junta is "decimating the population" with the help of American weapons and military advisers, and that the rebels are led not by communists but by social democrats waging "a struggle for national salvation."

Zamyatin further reported that Mr. Reagan's response to Leonid Brezhnev's request for a summit meeting "did not go unnoticed" in Moscow, but he criticized the idea of preconditions for the meeting. "This is not a correct approach. . . . This sounds very much like hegemonism, like the Chinese," he said, adding that Moscow is ready to talk "without preconditions of any kind."

Iraq renews oil exports

Iraq and Syria put their differences aside this week to reach an agreement allowing for the renewed shipment Iraqi oil exports through Syria to the Mediterranean. Iraq resumed oil exports in December, following a three-month shutdown of oil flows due to its war with Iran.

Shipments of crude through Syria were blocked due to terrorist sabotage of the pipeline. Syria, a longstanding adversary of Iraq, has taken a pro-Iran stance in the Gulf war.

Reports from Damascus this week indicate that the initial flow of Iraqi crude through the Syrian pipeline will be 800,000 barrels per day (bpd) and will gradually increase to 200,000 barrels a

day. To date, Iraq is exporting an estimated 800,000 bpd.

Oil company sources estimate that Iraq and Iran together could be exporting as much as 4 million bpd of oil by the fourth quarter, as compared to the 5 million bpd they jointly exported before the outbreak of the war.

Sources expect Saudi Arabia to make a 2-million-bpd cut in its record exports to offset the renewed oil flow. It is expected that OPEC will be exporting only 25 million bpd by the end of the year, a full 8 million less than 18 months ago. This precipitous decline is due to the plummet in world consumption of oil.

Peking tries to remedy exchange shortage

The severe foreign exchange crunch afflicting the People's Republic of China has apparently driven the Peking regime to adopt extreme measures to quell the problem.

The Chinese government is reportedly demanding that Chinese students in Japan who are recipients of scholarship funds from the Japanese government hand over two-thirds of their monthly grants to the Chinese embassy.

The Chinese have also issued orders that all exchange deposited in foreign countries or in Hong Kong and Macao must be transferred home immediately.

CFR proposes 'directoire' for global NATO role

The West German, French, British, and American branches of the Council on Foreign Relations, all originally founded as spinoffs of the Royal Institute of International Affairs in London, this week jointly released new study advocating "a new alliance relationship" based on a "directoire" including the U.S., France, West Germany, and Japan, and focused on "active European military participa-

tion on ground and sea" globally. The report states: "Western security can no longer be limited to events and threats occurring in the NATO region alone."

The report, which proposes to subsume economic, technological, and security policy under the banner of NATO, is a rehash of three years of the U.S. CFR's policy recommendations, most completely developed in a June 1980 *Foreign Affairs* article by Robert Legvalt, the CFR's project director under Cyrus Vance for the council's Project on the 1980s proposals regarding the U.S.S.R. The Legvalt studies have never been formally published.

The report is viewed by some analysts as an effort to sour Reagan's relations with Schmidt and Giscard, who reject a NATO expansion, and by others as a blueprint for Western Europe after the CFR has dislodged the two leaders from power.

The proposals include strategic nuclear balance with the U.S.S.R.; deployment of Pershing missiles in Europe; possible resumption of arms-control talks; availability of European forces for deployment in the Persian Gulf and Indian Ocean; revitalization of the Camp David process; and encouragement for the Afghan liberation movement.

Brokdorf, Frankfurt get government boost

Authorities in the West German state of Schleswig-Holstein have banned an anti-nuclear demonstration that was scheduled to take place in the town of Brokdorf on Feb. 28, at the nuclear power plant construction site there. Police had gathered extensive information attesting that the demonstration would be violent.

Meeting in Bonn Feb. 25, the federal cabinet backed the Schleswig-Holstein government and urged observance of the prohibition. Radical groups say they will go ahead with the demonstration.

In a related move, the governor of the state of Hessen, Holger Börner, announced Feb. 25 in the state parliament

that the much-disputed third runway for the Frankfurt international airport will be built, despite environmentalist protest. The government's duty is to secure the material existence of its citizens, he said. All three parliamentary parties backed Börner and demanded that construction work begin as soon as possible.

Mexican development conference in Mexico City

"The only barriers to Mexico's becoming an industrialized country in the next 20 years are political. The technological, economic, and scientific feasibility have been proven," stated Dr. Steven Bardwell, the opening speaker at a conference cosponsored by the U.S.-based Fusion Energy Foundation and the Mexican Association for Fusion Energy (AMEF).

The subject of the conference was the two foundations' just-completed development program for Mexico. The 150 participants included representatives of eight Mexican government ministries, a number of private-sector firms, banks, educational institutions, and research groups. Presentations by Dr. Bardwell, Dr. Uwe Parpart, Cecelia Soto de Estévez, Patricio Estévez, Dr. Luis Abreu, and Jorge Bazua drew on *EIR's* LaRouche-Riemann econometric model, which has demonstrated the feasibility of the rapid industrialization of Mexico.

Jesuit responds to political charges

The provincial superior of the Jesuit order in Mexico, Enrique Nuñez, S.J., was obliged to issue a lengthy public interview last week in an attempt to clear the order's name from charges of coordinating right-versus-left bloodshed in Central America. The charges have been disseminated by the *Executive Intelligence Review* internationally.

Nuñez told the Mexican daily *El Her-*

aldo Feb. 20 that Jesuits in El Salvador and Guatemala have come under threat of terrorist action. The alleged threats, he said, "have their origin in false and slanderous stories invented by individuals or interested groups who assert that the Society of Jesus is the cause of the armed insurgency in some of these nations." Father Nuñez added that "although some Jesuits had to leave the region because of the danger, the order will stay in the thick of day-to-day deployments because our task is to be with the population in its most difficult moments and accompany it through all risks."

Heritage: special channel for Thatcher

Sources in Washington report that the Heritage Foundation, a Fabian-controlled think tank, is going to be used as a special channel into the Reagan administration by British Prime Minister Margaret Thatcher who was visiting the U.S. this week.

According to the sources, Thatcher intends to "upgrade her relationship" with Heritage, which has several operatives planted inside the administration. The foundation, which has a direct link to the Thatcher-run British Center for Policy Studies, will soon be the base of operations of the prime minister's personal political secretary Richard Rider.

Sources at the foundation, whose connections to the British Fabian Society have been a subject of recent controversy, said that the entire operation should be handled very quietly and informally, without much publicity, since any overt connections would cause embarrassment for both the Thatcher government and Heritage.

It might make the Reagan people "very suspicious," the source reported, and that "would defeat the whole purpose of what the prime minister wants."

The topic will come up in informal discussions this week between representatives of the foundation and Mrs. Thatcher's entourage.

Briefly

● **PRINCE FAHD** told a Swedish press conference Feb. 22 that Saudi Arabia is "free to contact any country in order to buy weapons and advanced equipment. . . . If circumstances require it, we will buy weapons from the Soviets." He proposed that the American people "demand bipartisanship and honesty from their government." The conference was not covered in the U.S. press.

● **SPANISH** sources told *EIR* after the failed Spanish coup that Alexander Haig's ties into Spain's military and the Spanish Church are germane to the fall of Adolfo Suárez this month. Suárez had resisted the Carter administration's pressure to join NATO. The State Department wants nuclear weapons installations in Spain and use of bases without prior approval from Spain for the U.S. Rapid Deployment Force.

● **ROBERT MCNAMARA**, outgoing president of the World Bank, suddenly canceled a visit to India due to "illness." The reason was Prime Minister Gandhi's refusal to see him after the Bank revoked a \$250 million loan for a fertilizer project.

● **THE ICFTU**, the "free world" trade union grouping run mostly by the Socialist International, will meet in New Delhi on March 18-20. Word is they will push Brandt Commission proposals.

● **SAID GAILANI**, one of the many self-appointed leaders of the Afghan rebels, is being given the red-carpet treatment in Washington, visiting leaders on Capitol Hill, seeing Assistant Secretary of State Veliotas, and speaking before groups like the American Legion. Gailani is more often seen in London than on the Afghan frontier. His sponsors in Washington are a group based in the American Security Council led by former Defense Intelligence chief Danny Graham. Gailani's controller is London's Lord Bethel, active in Polish events.