

Northern Flank by A. Borealis

Palme's brother sells Soviet cars

Claes Palme is the new chairman of the Soviet car sales company in Sweden.

Would you buy a used Soviet car from Olof Palme's brother? Not many other people would, either. Yet, the Swedish Premier's "conservative" elder brother, lawyer Claes Palme, was recently elected chairman of the board of Matreco, the Soviet trading company dealing in Russian-built Fiat cars in Sweden! The vast network of some 70 Matreco retailers and service shops all over Sweden bear no correspondence to the miniscule volume of Soviet car sales. Among informed circles, it is well-known that the dumping of some 3,000 Russian Fiat cars per annum on the Swedish market is a cover operation for maintaining a large espionage army of civilian non-diplomatic Soviet citizens formally employed by the company in Sweden.

Several Russians in the company have been identified as KGB or GRU intelligence operatives. In 1976, Matreco tried to expand its office in the sparsely populated far north of Sweden, to open what would have become the first Soviet permanent exhibition of cars to the west of the Iron Curtain! The Russians were denied permission specifically because the company was regarded as a security risk, and the area they applied for was militarily sensitive. The commander-in-chief of Sweden's armed forces at the time, Social Democrat Stig Synnergren, said that Matreco was a suspicious firm.

In the late 1960s, the Matreco branch office near the city of Gävle, on the east coast of central Sweden, erected huge antennas capable of radio communication with Soviet ships

in the Baltic Sea. The chief of the Gävle branch office, a Swedish citizen, said about one of the Soviet "car specialists" deployed to that office: "He knew nothing about cars, and even less about how to service them."

Matreco is also the general agent for 14 Soviet foreign trading companies. Three of these companies are known to have been involved in illegal technology-smuggling from the West: Metallurgimport, Sudoimport, and Tekhmashimport.

That is the company which has now named the Swedish Prime Minister's brother chairman of its board. He had only joined the board on Sept. 26, 1984.

The timing is intriguing, as the months of August and September 1984 represented a peak of anti-Soviet sentiment among the Swedish population. On Aug. 9, a Soviet Su-15 jet-fighter, the same type of combat plane that shot down the Korean airliner, simulated shooting down a Swedish civilian airliner deep inside Swedish air space over the large Baltic island of Gotland—an incident which became known to the public on Aug. 25, and which remained the subject of heated controversy throughout September.

Unlike Olof Palme, big brother Claes, ten year older, is not known for sympathizing with the reds. Active in the Stockholm local of the "conservative" Moderate Party, Claes Palme occupies the family's chair on the board of the large Skandia insurance company, which historically ties the

Palme family to that of Volvo's Pehr Gyllenhammar, Henry Kissinger's pal and business partner. In the late 1960s, Claes Palme was also the founder and chairman of the notorious Center for the Study of International Relations, an oligarchical think tank which has been linked to Dope, Inc., the international drug business.

With such a "solid" right-wing biography, Claes Palme's role as one of the three top lawyers for the Soviets in Sweden could perhaps be explained in terms of strictly professional commitments. A glance up the branches of the Palme family tree, however, reveals that there is much more to Claes's conservative image: "You see, I am both older and wiser than my brother," as he told an interviewer in August 1983.

The sons of Baltic nobility, both Claes and Olof spent their childhood and youthful summers at their family's baronial estate, Skangal, in Latvia in what is today the Soviet Union. The father died in 1933. They were raised by Uncle August von Knieriem, a chief executive of I. G. Farben, the infamous Nazi company that ran Hitler's Auschwitz extermination camp. This casts the anecdotes about Claes's vicious anti-Semitism in a new light.

The Palmes' affection for Latvia in no way ceased after the Soviet occupation in 1940. Boasting and bragging about how well he knows "the God-damned Russians," Claes Palme described his recent visit back home to Skangal in a 1983 interview. "Of course, I'm a VIP in Russia nowadays," Claes blurted, telling about how he was received by the Russian soldiers at the estate "with a lot of saluting." He noted that the place seemed to be well run, and jokingly told his hosts that if it isn't as well run the next time he returns, "then, I will take back my estate!"