

# The Rothschild factor and the role of SIPRI

by Mark Burdman

Observers in Europe had a sense of *déjà vu*, when a reporter for Britain's Independent Television was assaulted, his camera smashed, by bodyguards accompanying Emma Rothschild, daughter of Lord Victor Rothschild, as she was leaving her home in Stockholm over the Dec. 6-7 weekend. Just a few days earlier, on Nov. 27, outside the offices of N.M. Rothschilds in London, a reporter for the *Daily Mail* chain had been assaulted by goons, when he tried to ask questions of Lord Rothschild as he was leaving the family's merchant bank.

Why such raw nerves among the Rothschild clan these days?

Lord Rothschild had the political scare of his life, when suspicions began to be raised—evolving out of the current British government legal effort in an Australian court, to suppress publication of a new book by Peter Wright, a former counterespionage agent for Britain's foreign intelligence service MI-5—that Lord Rothschild, was the "Fifth Man," a Soviet spy who had infiltrated British intelligence. On Dec. 4, Prime Minister Margaret Thatcher refused to exonerate him from such suspicions, in statements made in the House of Commons. One day later, Mrs. Thatcher made a half-hearted turnabout, saying there was "no evidence" that Rothschild was a Soviet agent, but failing to add the usual homilies about his service to the nation.

As the cloud of suspicion hung over Lord Rothschild's head, a new problem of Soviet connections erupted for him via his daughter Emma. Beginning on Dec. 4, revelations began to be published in the press of Scandinavia (although not, initially, in Sweden), West Germany, and Great Britain, that Emma had been in a love affair with the late Swedish Prime Minister Olof Palme, up to the point of Palme's Feb. 28, 1986 assassination.

The stories revealed that the Swedish police team running the investigation of the Palme assassination, headed by police chief Hans Holmér, had refused to even question Emma after Palme was killed, despite the report that she was regularly aware of Palme's movements about town, and that a tap on her phone would have allowed Palme's assassins to know his whereabouts on the night of the assassination.

Looking at the "Emma angle" would force investigators to examine the Soviet factor in the Palme assassination. Even if one could agree that Lord Rothschild is *not* a Soviet agent, with 38-year-old daughter Emma, it's a different story. Her entire career is hard-wired into Soviet agent-of-influence circles.

## SIPRI and the Trust

Up until 1980, Emma Rothschild was a figure of some secondary importance among radical-liberal networks. In 1973, she wrote a book which gave her some fame within the zero-growth-oriented left wing; it was titled *Paradise Lost: The Decline of the Auto-Industrial Age*, and was published by Random House.

But as the Swedish family magazine *Aret Runt* pointed out in a 1985 article on the Palme-Emma relationship written months before the assassination of the prime minister, she was a relative unknown until 1980, when, with the sponsorship of Palme, her career skyrocketed.

Having been well-traveled in the Cambridge, Massachusetts, Chicago, and Oxford, England affiliates of Lord Bertrand Russell's East-West "Pugwash Conference" throughout her academic career, she was introduced into Palme's circle, ca. 1980, and was brought by Palme into a research-secretarial position on the Independent Commission on Disarmament and Security Issues ("Palme Commission"). This brought her into contact with Soviet officials, notably Commission members Gen. Mikhail Milshtein and Georgii Arbatov, head of the Moscow U.S.A.-Canada Institute. The Palme Commission also incorporates leading Western appeasers, including former U.S. Secretary of State Cyrus Vance, British Social Democratic Party leader David Owen, and West German Social Democratic Party ideologue Egon Bahr, a friend of Henry Kissinger.

Sometime between 1980 and 1984, Emma was brought onto the staff of the Stockholm International Peace Research Institute (SIPRI), and was, in 1984, at the age of 36, made the representative of Great Britain on SIPRI's exclusive governing board.

Here, the Soviet intelligence connections would blossom.

SIPRI is an important front for the East-West back-channel grouping best characterized as "the Trust." Operating under the cover of a neutral-academic "peace research" group, it was set up in 1966, at the initiative of Palme's predecessor, Swedish Social Democratic leader Tage Erlander. It soon became a pet project of the "Trust's" husband-and-wife team Alva and Gunnar Myrdal.

Its 28-member Scientific Council has been a prime center of Trust operations. From 1966-79, Britain's Lord Mountbatten was a member of the Council, and it was on the occasion of accepting an award on behalf of SIPRI, in 1979, three months before his assassination in August, that Mountbatten made a famous speech on behalf of the European "peace

movement." From 1966-69, Henry Kissinger, formerly an insider on the Pugwash circuit, served on SIPRI's Scientific Council, and went from there to his post as U.S. national security adviser in 1969. Contacts between SIPRI and Kissinger are reportedly close to the present day. As of most recent available listings, the SIPRI Scientific Council includes two Soviets, Academician Fokin of the U.S.S.R. Academy of Sciences and Vitaly Zhurkin, Arbatov's deputy director at the U.S.A.-Canada Institute. There are also a number of Western "Trust" agents, including former Austrian Chancellor Bruno Kreisky.

At least twice to *EIR*'s knowledge, SIPRI has been under suspicion of being an espionage front. In August 1981, the office of a British-born SIPRI "peace researcher," Owen Wilkes, was sealed by the Swedish security police SÄPO, when he was found to possess sensitive documents on Swedish air defenses and on U.S. army installations, including nuclear bases, in Europe; earlier that year, Wilkes had been given a suspended sentence by a Norwegian court, after having been convicted of publishing details of U.S. military-electronic communications equipment on Norwegian soil. Then, on Sept. 8, 1981, the Swedish liberal daily *Dagens Nyheter* published reports of close connections between a Czech-emigré SIPRI consultant, Theodor Nemeč, and the Soviet military attaché in Stockholm, Stanislav Makarov, who had been earlier expelled from Denmark and Norway, on suspicion of spying, and who, according to *Dagens Nyheter*, was rumored to be a military-intelligence (GRU) agent. The paper reported that, in the spring of 1981, Nemeč had caused the purge from SIPRI of a researcher who had tried to study Soviet military installations in the Baltic.

### Will the cover-up last?

The outlines of the Emma-SIPRI-Soviet connection are beginning to make their way into the press. The British Sunday tabloid *The People* published an article on Dec. 7, "Why Spy-Catchers Checked Emma Rothschild: KGB Links Feared," reporting, "Swedish security chiefs feared that a peace organization in which she was a leading figure could have been infiltrated by Russia."

Contacted during the week of Dec. 8, a SIPRI spokesman arrogantly told a caller: "The Swedish police will never let the Emma Rothschild story out."

But the clampdown on the Rothschild story is becoming a central factor in Swedish detectives' and politicians' anger at the way Holmér's team is conducting the investigation. And that anger extends outside Sweden. As one British source told this correspondent Dec. 10: "Our people here are astonished by the lack of progress in the investigation over there. Our people feel that their opposite numbers in Sweden have a good idea who was responsible, but political interference is holding things back. The Swedes are terrified of finding the evidence of Russian involvement in the killing of Palme, which everyone knows exists."

## A classic Soviet disinformation job

A few hours after Olof Palme was assassinated, *EIR* identified the initial elements of what was soon to develop into one of the most massive deployments of a Soviet disinformation campaign ever seen. Our daily monitoring of Soviet statements identified an unusual rashness in the Soviet propaganda response to the murder.

Just hours after the assassination, on March 1, Georgii Arbatov, the chief of the U.S.A.-Canada Institute, a Central Committee member, and co-founder of the Palme Commission on disarmament issues, proclaimed: "I do not know who killed Palme, but I know all too well who hated him. . . . I saw demonstrations against him by fascist hooligans, inflammatory articles, and provocations. Reaction loathed Palme."

In the weeks that followed, Arbatov's formulation was picked up by Soviet-linked media and political conduits internationally, becoming, by March 18, a world-wide barrage of slanders and lies aimed at blaming the assassination on the Swedish European Labor Party (ELP) and Lyndon LaRouche.

As the Stockholm police investigation unfolded, and the surge of press coverage in the Swedish and international media began to take shape, *EIR* analyzed the activities of known Soviet disinformation specialists. These were coordinated with Western networks previously identified as working for, or manipulated by, the KGB. The names of two high-level Soviet officials surfaced increasingly: Ambassador to Sweden Boris Pankin and Sergei Losev, director general of the Soviet news agency TASS.

### KGB dirty tricks: Pankin's network

According to Soviet intelligence defectors, the KGB's Department D (Disinformation) was restructured in January 1959 by then KGB chief Aleksandr Shelepin, to coordinate with the Central Committee of the Communist Party, the Committee of Information of GRU military intelligence, and the KGB's departments responsible for intelligence and counterintelligence.

In 1968, one year after taking over control of the KGB, Yuri Andropov revamped Department D, renaming it Department A, and soon thereafter upgraded its status within the KGB organizational structure. Along with a newly reconstituted Department V (responsible for assassinations, sabotage, and dirty tricks), it was placed directly under the KGB's First Chief Directorate.