

Report from Rome by Leonardo Servadio

Mafia comeback on Libya-Malta axis?

Plans to make Malta into a "free port" may play into the hands of the Bulgarian Connection.

Immediately after the "maxi-trial" against the mafia in Palermo, which ended in December with sentences of 26 centuries in prison and 11 billion liras' worth of fines imposed on dozens of mafiosi, a wave of mafia assassinations shook Sicily. The latest of these was the murder of the ex-mayor of Palermo, Insalaco, while in December shivers ran through the American political world when in Barcelona, near Messina, the cousin of the wife of New York Governor Mario Cuomo was killed.

No one has ever fooled himself that the Palermo "maxi-trial" was anything more than one step in the war on the mafia. It has been noted that the part of the mafia which was hit operates by the old rules, and that there is a new mafia which operates by more modern managerial rules, pivoted on recycling and reinvesting dirty capital through the "offshore" stock markets from New York to Milan, in high-finance deals which pump up the swollen speculative bubble of the financial markets.

Judge Giovanni Falcone noted the existence of a "stasis in refinement [of drugs] . . . the tendency to control the traffic without refining or passing through Sicily." This means to control the financial side of the drug traffic, while letting others taking care of the marketing.

In this context, the island of Malta seems to want to become a new "Hong Kong" in the Mediterranean. Situated between Sicily, Libya, and Tunisia, Malta is at the center of navigation routes between the eastern and western Mediterranean.

The Christian Democratic admin-

istration which has ruled the island nation since May 1987 under Premier Ferenc Adami, which seemed to want to radically change the orientation imposed for the 16 preceding years by the Labor Party, is in fact following its predecessor's policies to the letter.

Malta's Minister of Ports Joa Fenech announced that he wants to turn the island into an "offshore" market, "a center which permits foreign-to-foreign exchange. Hence, legislation and services for banks, insurance companies, registering of corporations, commercial activities and trusts, registration of ships . . . warehousing for resupplies, free port." Chase Manhattan Bank, representing the financial empire linked to the Rockefeller family most noted in this century for financial imperialism in Ibero-America, will be in charge of setting up this new Mediterranean Hong Kong.

Years back there was talk of creating in Sicily a financial and commercial center of that type, which would have facilitated mafia operations: from the drug traffic, to its financing, to arms trafficking. The scheme did not work out in Sicily, but appears to be on the drawing boards for Malta, just 100 or so kilometers away. From the mafia's standpoint, besides its geographical advantages, Malta has the bonus that it is halfway to Libya, where the mafia has privileged ties.

The new Christian Democratic government has not altered a comma in the previous Labor government's pro-Libyan policy and has kept such an open door to Libya, that there are even rumors that Libya and Malta might issue a common passport to both

countries' citizens. Libya has been for some time demanding entry into the European Community, and seems to want to use Malta as a lever to obtain this.

Before he was assassinated, Palermo Mayor Insalaco's last journey was to Malta, in March of 1987. The mafia's "Malta Connection" came to light when on Dec. 5 the ex-minister of justice of Malta, Joseph Brincat, was arrested while removing jewels, gold bullion ingots, and banknotes worth about 200 million liras from the false bottom of a car that had crashed.

The auto, which apparently had been used to smuggle illicit merchandise, belonged to a friend of his, Maltese jeweler Colin Shires. One of the banknotes retrieved came from the money paid to ransom Claudio Fiorentino, a Palermo jeweler who, shortly before his kidnaping had been accused, together with other members of his family, of illegally stashing capital abroad and evading Italian taxes. In short, he was charged with smuggling jewels and gold, apparently a brisk trade between Malta and Italy.

A Maltese citizen, Antony Cremona, was charged with the kidnaping. Italy awaits Cremona's extradition from Belgium where he is in jail. Cremona is a goldsmith. Everyone knows that gold and jewels are instruments commonly used to recycle dirty money from the illicit arms and drugs traffic.

The fact that Brincat was freed, after the Maltese government squeezed Italy hard, does not cancel the overall reality of an Italy-Malta drug network. Given the Libya-Malta ties and Malta's strategic location between East and West, politically as well as geographically, Malta has become an ideal center for those shady deals which first came to light with the so-called Bulgarian Connection.