

monopolized business and small-scale manufacturing. In his 1969 book, *The Malay Dilemma*, Mahathir wrote, "Seeing how the Chinese had destroyed the self-reliance of the Malays in craftsmanship, skilled work, and business, the British encouraged Chinese immigration [in the 19th century] until the Malays were completely excluded from these fields of employment." Throughout Southeast Asia, colonial rulers used the Chinese minority brought from the mainland to act as a buffer between themselves and the indigenous population, using them as a financial and bureaucratic caste over the natives.

At the same time, Peking continues to support subversive Maoist groups throughout Southeast Asia, often made up of ethnic Chinese.

The U.S. government policy of supporting Britain and China, and its clampdown on government efforts to promote industry (as in the Indonesia counter-trade case) have caused the nationalists of Southeast Asia to look elsewhere for aid in their nation-building efforts. Economic leaders in the region have pointed out the divergent pattern of investments in the area between the American multinationals and those of Japan. The overwhelming majority of American investment in Southeast Asia is in oil or other resource-extraction ventures. Japanese investment, while also prominent in oil and resources, is even more evident in manufacturing enterprises.

In a recent speech, Mahathir told his countrymen to "look east" for economic cooperation. Speaking at a February 8-9 meeting of the Malaysia-Japan Economic Association, Mahathir asked Japanese businesses to support extensive new training programs for Malaysians in Japanese schools and factories. The Prime Minister said Japan was "a much better example for developing Malaysia" than the United States and Europe. "We find the first question other [Western] investors ask," said Mahathir, "is whether they will have a controlling interest, reflecting, of course, their belief that the Malaysians are not quite suitable for running industries." Mahathir has re-introduced Japanese language training in the public schools for the first time since World War II.

Indonesia is cooperating with Japan in joint ventures in more than 200 projects worth over \$3.5 billion, mostly in capital-intensive manufacturing industries, such as auto plants, steel, diesel engines, generators, hydroelectric, bicycles, and ships. A similar pattern can be seen in the Philippines.

The nations of Southeast Asia intend to industrialize. They look upon Japan, Korea, and the industrial sector of India as their models. Cooperation with Japan is complemented by middle-level technology cooperation with Korea and India, including a nuclear-power cooperation agreement with India and France.

SWEDEN

Olof Palme and the Malmö International

by William Engdahl

Former Swedish Socialist Prime Minister Olof Palme (1969-76) has been challenged on national television to debate whether his policies are not in fact fascist. The challenge, which has created an uproar in the Scandinavian country, came during an April 14 prime-time program, "Magasinet," on TV-2.

Kerstin Tegin-Gaddy, Chairman of the Swedish national political party, Europeiska Arbetarpartiet (EAP—European Labor Party), sparked a nationwide press controversy during a 30-minute program on the EAP where former Prime Minister Palme made what is now regarded widely as a major political blunder. Palme appeared on the show to denounce the party of Tegin-Gaddy, calling it a "tiny fascist-like sect." Tegin-Gaddy, before the nation's largest viewing audience, challenged Palme to a public debate on the issue of whose policies are fascist—the EAP's or Palme's. The Palme-linked daily *Aftonbladet* subsequently acknowledged Palme's blunder. "Was this the week in which TV's 'Magasinet' paved the way for the EAP's political success in Sweden?" the paper asked.

EIR has compiled an extensive political intelligence dossier background documenting the fact that Palme, posing as a left-liberal internationally, is a hand-picked protégé of the same neo-Nazi circles running drugs and terrorism. The following is a small part of this dossier.

Palme's background

The person of Olof Palme is most useful for clarifying the relationship between certain "ultra-left" political operations run out of the Socialist International and the European ultra-right fascist aristocracy which, following a 1951 conference in southern Sweden, became known as the Malmö International.

Palme is most known abroad as a progressive cham-

pion of the Third World who served as Prime Minister of Sweden until his defeat in 1976. As Swedish Prime Minister during the Vietnam War years, and as the current chairman of the Palme Commission on East-West Disarmament, Palme has also played a prominent role in the peace movement internationally. If we peel away this humanitarian façade, we find a far more instructive case history.

Palme, in every realm of his activity, is a protégé of European fascist circles—the scion of Baltic nobility, his mother being from landed aristocracy near Riga, Latvia. His father, an executive with the powerful Skandia Insurance Corporation, which today is a major underwriter for Ted Heath's IRIS (International Reporting Information Systems) covert intelligence operation, was known in Stockholm's high society during the 1930s for his extremely pro-fascist political sympathies.

The young Palme was given the appropriate aristocratic training. He was a member of the elite King's Cavalry until he was sent to Ohio's Kenyon College in the late 1940s to be given a "progressive" cover, although he spent much of his campus years as an ardent student of the work of Friedrich von Hayek, the Austrian neo-fascist economist now attached to Switzerland's Mont Pelerin Society. Palme returned to Sweden to start his career as a "leftist" student leader. He became secretary of the International Union of Students in the 1950s and traveled extensively throughout Eastern Europe and the developing sector to foster his new, more radical image.

During the early 1960s, Palme was suggested as the understudy to the aging Swedish Prime Minister Tage Erlander. The man who arranged this critical post for Palme was Ragnar Edenman, a notorious Swedish Nazi in the 1930s who headed the pro-Hitler New Swedish Movement.

As Social Democratic Education Minister and Prime Minister during the 1960s, Palme, like his Swedish-trained counterpart in Germany, Willy Brandt, initiated a series of educational and social reforms which became publicized internationally as "The Swedish Way." The changes in organization of work and schooling were explicitly modeled on a sophisticated updating of Mussolini corporatist programs implemented during the fascist period in Italy. The Swedish Way was worked out for Palme by Eric Trist and others from the Tavistock Institute for Human Relations of British military intelligence.

Palme's use of an anti-American posture during the Vietnam War served as cover for a series of changes in Swedish law under which not only U.S. military deserters, but a broad array of terrorists, organized-crime figures, and others were given "political" or "humanitarian" asylum in Sweden. Then, in 1972, Palme played

a pivotal role as host to the United Nations Conference on the Environment in Stockholm which was used by Robert O. Anderson, Barbara Ward, Margaret Mead, Maurice Strong, and a gaggle from Aurelio Peccei's Club of Rome to attack industrial development.

The terrorist and drug connctions

Over the past eight months, a wave of heroin and terrorist-related arrests in Sweden has thrown additional light on this creation of the Black International. A circle of top Palme advisers, including Palme's appointee as U.N. Ambassador, have been implicated in one of the furthest-reaching investigations of international criminal underworld activities to date. Swedish U.N. Ambassador Anders Thunborg has been implicated with Pakistani heroin ringleader and international diamond dealer Jacob Chanow on "international politics" to the Palme government in the 1970s.

Subsequent investigation by the Stockholm offices of *EIR* and extensive cross-checking with Swedish Narcotics Police and other international law-enforcement figures, have established the following circle around Palme: The Chanow connection links into a network known to police as the Sar heroin syndicate. Muhammad Sar, believed a member of the secret Muslim Brotherhood underworld, is presently serving a maximum term in Swedish prison for heroin smuggling. The Sar syndicate funds the fascist Turkish Grey Wolves, the group whose member Mehmet Ali Agca attempted to assassinate Pope John Paul II.

Most of the leading members of the Sar syndicate were brought into Sweden following Palme's revision of political asylum laws, including a Greek national named Steven Riganakos, given asylum in the late 1960s as a "national liberation hero" by Palme's government. Riganakos is currently serving eight years for heroin smuggling.

Another close Palme associate, Carl-Thomas Edam, who served as Palme's Adviser on School and Education Issues, had to leave Sweden last fall when convicted for dealing in marijuana. Edam is now re-situated in Copenhagen, that notorious international narcotics traffic point, and heads up a project called Scandinavia Today, which is funded by Atlantic Richfield chief and leading U.S. environmentalist Robert O. Anderson.

Palme succeeded in removing one of the major obstacles to a large-scale infusion of organized crime and criminal Black International activity in Sweden in 1974, when he oversaw the repeal of a Swedish law which forbade foreign funding of Swedish political parties. According to a top source in the Swedish Royal Marine involved in tracking heroin smuggling, this revision made it all but impossible to trace illegal dirty-money operations, which have now made their way to the heart of Sweden's political parties.