

**TODAY** the Sunday Express can disclose the full story of how three CIA defectors were used by Cuban and Russian intelligence networks to set up the dramatic American "spy" scandal which erupted in Mozambique this week.

The scandal resulted in the expulsion from Maputo of four US Embassy personnel and the wives of two of the men. Altogether 13 Americans, including children, were kicked out of the Mozambique capital.

The Mozambique authorities claimed the diplomats were CIA agents and had set up an intricate "spy network" which had helped the South African Defence Force detect ANC targets in Matola.

The State Department has now received information from its embassies in Southern Africa of how three CIA defectors were used as front men to precipitate the Mozambique action against the United States.

According to earlier reports, a former CIA agent, Mr Louis Wolf, was reported to have arrived in Maputo three days before President Machel expelled the Americans.

Mr Wolf is co-editor of an American publication, Covert Action Information Bulletin, which has named over 1000 supposed CIA agents in a campaign to expose the secret intelligence service.

Observers did not believe it was coincidental that Mr Wolf was in Mozambique at the same time as senior Cuban intelligence officers were visiting the country.

The Sunday Express can disclose that:

- Mr Wolf, who lives in Europe, had discussions with the Cubans, among them two senior officers, Mr Armando Fernandez and Mr Manuel Martinez Galan, who are connected with Cuban security in Angola.
- A second CIA defector and associate of Mr Wolf, Mr Bill Schaff, was also in Maputo this week, and was involved in talks with the Cubans.
- The two defectors were briefed by Cuban and Soviet intelligence before flying to Maputo from Europe.
- They are directly responsible to a third defector, Mr Phil Agee, who lives in Germany. Agee, who was regarded as a highly competent CIA officer,

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became disillusioned with the agency some years ago, and committed himself, along with the Covert Action Information Bulletin, to exposing CIA agents throughout the world.

The plan to "set up" the US Embassy in Maputo was formulated in Moscow, shortly after the SA Defence Force attacked the ANC base in Matola, and Mr Wolf and Mr Schaff were then fully briefed by the Russians, who flew them to Mozambique.

Reconstructing the events after the two former CIA men arrived in Maputo, informed diplomatic observers say it was Wolf who indicated the names of CIA agents in the US Embassy on a diplomatic list which they submitted to the Mozambique authorities.

Whether this evidence was genuine or fabricated was of little concern to the Machel Government.

They accepted the authenticity of the allegations by Mr Wolf and the Cubans — and acted immediately by accusing four US Embassy staffers of setting up a "spy network".

The "South African connection" formed the basis of the second leg of the Russian-Cuban "con trick" — and with the consequences of the Matola raid still reverberating in Government and diplomatic circles in Maputo, the Mozambique authorities reacted precisely as the Russians and the Cubans had predicted.

Although the Reagan Administration has strongly denied the espionage allegations and denounced the Mozambican decision to expel four of its diplomats and their families, informed diplomatic sources say that the "spy scandal" will lead to harsh and perhaps even irreparable consequences for proposed American initiatives in Mozambique and Southern Africa.

I was told that:

● The American ambassador to Maputo will probably not return or be replaced — the embassy, at best, will continue to function under the Charge d'Affaires, Mr William Twaddell — and the future status of the mission will be reviewed shortly by the State Department.

● An ambitious proposed US economic aid scheme for Mozambique, with benefits accruing also for neighbouring states, like Zimbabwe, Zambia and Botswana, is to be scrapped.

It was reported this week that a US team, which was discussing the aid programme with Mozambique authorities this week, had been withdrawn.

What was not known was that the US had intended to extend its flood and food aid to Mozambique by launching a separate economic aid project worth millions of dollars for developing Maputo's harbour, road networks, agriculture and health services.

"But this has been blown," an informed source said.

The programme was being proposed by the leader of the US aid team, Mr Ted Morse, an aid official who has a close knowledge of Southern Africa, in spite of a decision by Congress to withhold additional aid to Mozambique because of its poor human rights record.

In terms of the programme, the US had hoped that by expanding Mozambique's harbours, especially Beira, additional facilities for exports would also have been made available to landlocked Zambia, Botswana and Zimbabwe.

What puzzles Western observers is just why the Mozambique authorities played along with the Cubans.

"They really had nothing to gain by expelling the US diplomats," one source told me. "At worst, they had an option of reacting quietly to the allegations, or not reacting at all.

"That really is the tragedy of the incident: by acting the way they did, which was certainly not in their interests, they allowed themselves to be 'sand bagged' by someone else."

# Mozambique may lose millions in American aid