

International Intelligence

EUROPE

Soviet-West German economic meet delayed

A meeting of the joint Soviet-West German economic affairs committee, which was to have taken place in Bonn in late January, has been put off indefinitely at Soviet request. The Soviet First Deputy Prime Minister Nikolai Tikhonov, who was to have presided from the Soviet side, cited a busy schedule and technical reasons, but speculation arose that Moscow was continuing to signal displeasure over West Germany's acquiescence to NATO arms programs. The Soviet news agency TASS, however, carried an interview Jan. 8 with a West German government economic official that emphasized the "firm foundation and sound prospects" for Soviet-West German trade.

Andreotti debunks slanders from Italy's Socialists

Former Italian premier Giulio Andreotti, interviewed Jan. 11 on national Italian radio, scoffed at Socialist Party treasurer Formica for claiming that Andreotti was guilty of attempting to bribe the Italian press and other news media with monies he had illicitly received from a now-cancelled state-to-state oil agreement between Saudi Arabia and the Italian state-owned oil firm, ENI.

Andreotti, who is considered to be in an excellent political position to take the reins of government again in the near future, has denied both sides of the bribery charges.

"The source of the attack is unreliable," the former premier said of Formica, whom he clearly held in personal contempt. On the subject of the Saudi-ENI oil agreement—cancelled by Saudi Arabia when the Italian Socialists first raised charges of bribery—Andreotti said: "The PSI has put Italy at the mercy

of international stranglers... on the oil market." The deal would have provided Italy with direct access to Saudi oil, bypassing the European "spot markets" where the British oil companies, in particular, have driven prices to more than double what the Saudis asked in direct purchase-agreements.

Questioned on the Afghanistan crisis, Andreotti reasoned that "while the move was not so smart" on the Soviets' part, he still advocates the entry of the Italian Communist Party into the next—perhaps his—Italian government. "This would be a step in the direction of the detente policy," he said.

Europeans reject Carter's Embargo on Soviet trade

Every Common Market nation except Great Britain has rejected a United States request to apply trade sanctions against the Soviet Union, according to Wall Street Journal reports. An Italian company that is state-owned announced Jan. 11 that it had just won a major new order to sell nuclear equipment to the Soviet Union, and fully intended to fill the order. According to a New York Times report, although the Europeans have formally agreed "not to undermine" the U.S. grain embargo by exporting additional supplies of their grain to the U.S.S.R., the same countries have adamantly refused to reduce their present shipments of grains and other foodstuffs in any degree. These include meat, butter, and sugar.

France has been particularly vocal about not using "trade as a political weapon," according to reports.

The Financial Times, a London newspaper, reported Jan. 10 that all European banks "are expected to adopt a much tougher stance in future lending to the U.S.S.R., and other East European countries." However, the same newspaper—in the very same article—reported that "bankers in London... were expressing doubt yesterday as to whether some countries, particularly France and West Germany, would take serious steps

to curtail such credits. If only because they would not wish to jeopardize their own exports."

France and West German banks, in fact, do the lion's share of international lending to the East bloc nations and, especially to the Soviet Union itself.

New civilian government in Portugal

The first totally civilian government since 1974 was installed in Portugal today. The new government is headed by two right-wing anticommunists, leading to fears of deeper polarization in a country with a powerful communist party-led trade union movement.

Francisco Sa Carneiro, the head of the Portuguese Social Democratic Party, is the new prime minister. His new foreign minister and second-in-command is Diogo Freitas do Amaral, head of the conservative Center Democratic Party and a political ally of British Prime Minister Margaret Thatcher.

Both men are long-time political opponents of Portuguese President Ramalho Eanes, who has been heading a caretaker government since the last government collapse in mid-1978. Freitas do Amaral is called by the London Guardian an "outspoken opponent of foreign policy initiatives taken by President Ramalho Eanes toward the former colonies of Angola and Mozambique."

Cossiga in Washington, seeks U.S. 'insurance'

Francesco Cossiga, the head of the moribund coalition government of Italy, will arrive in Washington, D.C. Jan. 23 to seek backing from the Carter administration for the continued existence of his government. The three-way coalition government of Christian Democrats, Republicans, and Liberals has been the subject of widespread speculation that it would not survive the first months of 1980.

Cossiga became prime minister during last year's protracted government crisis at the insistence of Bettino Craxi, the head of the Italian Socialist Party, after Craxi's own bid for the post failed. Craxi, whose party is notorious for links to known terrorists, backed Cossiga because of the latter's softness on the terror issue. The result was a renewed escalation of terrorist violence in late 1979.

LATIN AMERICA

Mexico gains U.N. Council seat

The United Nations General Assembly voted Jan. 7 to seat Mexico on the 15-member Security Council. The 133-3 vote for Mexico followed an extended impasse between Cuba and Colombia over who would be awarded the vacancy, assigned to a Latin American nation.

Cuba had been in line for the seat at the beginning of the fall U.N. session. But the United States and Britain, concerned over the anti-International Monetary Fund economic program which Castro advanced at the September meeting of the Nonaligned countries in Havana, persuaded Colombia to contest the seat. Through over 150 ballots, the Cubans consistently received a majority of votes, but not the two-thirds necessary for election.

The Security Council seat assumes greater than usual significance in the current period because of the international crisis in the Middle East and Asia.

Venezuela's Perez facing Watergate

Former Venezuelan President Carlos Andrés Pérez and three associates con-

nected to the development ministry of his 1973-1979 administration have been declared "under investigation" by the Venezuelan Investigatory Commission on Corruption.

In response, the ex-president has warned that the current Campins government "wants to discredit the greatest work in terms of Venezuela's development that has been seen in this century." Pérez's administration was responsible for leaps forward in Venezuela's basic steel, chemical, energy and other industries, and for launching massive industrial projects which have come under attack by the Campins government.

SOUTHEAST ASIA

Marcos invites opposition to join government council

Philippine President Ferdinand Marcos invited his principal rival, former Senator Benigno S. Aquino, Jr. to join a proposed advisory council to his martial law administration. Aquino, who has been in prison on subversion and murder charges since martial law was declared told the press that he would agree to join such a council if Marcos restored freedom of the press. Aquino has been out of prison on a two week "holiday" furlough granted by Marcos.

This unprecedented move by Marcos to cooperate with the man he accused of trying to overthrow him follows a period of intense pressure from the Carter administration, the U.S. Congress and Philippine and church-related groups based in the United States and the Philippines. In the past several months Catholic Jesuit-linked opposition groups have conducted widespread activity throughout the country including armed incidents. Also last month the Philippine military uncovered an assassination plot against Marcos that was linked to Philippine-exile business interests in California.

Briefly

● **JAPAN'S CABINET REJECTED** economic sanctions against the U.S.S.R. over the Afghanistan invasion, at least until they see what the European countries intend to do. The cabinet specifically ruled out for the present cancellation of four Siberia resource projects totalling \$1.5 billion and negotiations for several more in the multi-billion dollar range. Foreign Minister Saburo Okita told the Japan National Press Club Jan. 10 that while Japan expressed its "displeasure" to the U.S.S.R. it is "too early" to take specific action.

● **JEAN-JACQUES SERVAN-SCHREIBER**, French "centrist" politician, was one of the first foreign visitors to just-elected Indian Prime Minister Indira Gandhi. He came with promises of billions of petrodollars from his "Triangle Group." Given Schreiber's longstanding opposition to the international economic initiatives of President Giscard d'Estaing, observers are wondering if Schreiber is attempting to preempt Giscard's own visit to India at the end of this month.

● **GEN. ZIAUL HAQ**, President of Pakistan, may be facing the end of his rule as early as this February, according to Pakistanis recently arrived in Europe. In February, Zia must officially retire from the army and supporters of former Prime Minister Z.A. Bhutto, who was hanged by Zia, expect to be able to use the retirement to force Zia out of the President's post. In the last couple of weeks several generals who supported Bhutto have fled Pakistan for Europe and last week associates of Bhutto met to denounce Zia for aiding the Afghan Islamic rebels. The pro-Bhutto forces view Indira Gandhi's victory in India as aiding their cause and look to her for support.