
International Intelligence

EUROPE

Schmidt says no extension of NATO

West German Chancellor Helmut Schmidt delivered his government's policy statement on the current world situation on Jan. 17 following extensive meetings with his cabinet. While saying that West Germany would stand in solidarity with the United States in dealing with the Iran situation, the Chancellor added that "peaceful coexistence must not be endangered through thoughtless calling for an extension of NATO beyond its present boundaries." Instead, he laid out an approach to stabilizing the Third World and dealing with the oil producers.

He called, for example, for an European initiative to intensify dialogue with OPEC, stating that peaceful coexistence will be ensured only through this developmental approach. "The German contribution to maintaining world peace will be through endorsement of regional cooperation and treaties among states all over the world," said Schmidt citing ASEAN, the Lome agreements and the Euro-Arab dialogue. He warned that this is a time for cool heads and a balanced crisis management approach that should include frank discussion with the Soviet Union—noting that it is particularly for times like these that "the so-called red phones are designed for."

Tito illness to trigger new 'Sarajevo'?

The worsening illness of 87-year-old Yugoslav President Josip Broz Tito has prompted intensive speculation on the possibility of a Soviet invasion of Yugoslavia. Newspapers and thinktankers in the United States and Europe are

already forecasting a "new Sarajevo," in reference to the episode in Yugoslavia which provided the flashpoint for the outbreak of World War I. The Yugoslav army was placed on alert Jan. 15, and the country's entire population is in a state of "moderate mobilization," according to the official Yugoslav news agency *Tanjug*.

Tito was operated on unsuccessfully Jan. 12 for a circulatory ailment affecting his leg. The previous week he had been examined by a leading American and Soviet cardiovascular specialist.

The Yugoslav President, who has ruled the country for 35 years, is universally recognized to be the glue that holds together the motley configuration of national, religious and linguistic elements that make up Yugoslavia. When he dies, the animosities presently simmering just below the surface of national politics could boil up and plunge the country into such instability—or civil war—that the Soviet Union would decide to intervene, under conditions of increasing worldwide confrontation with the United States.

West Germany, Soviets negotiate natural gas deal

West German industrial firms and the Soviet government are presently negotiating a 20 billion deutschmark deal for constructing a natural gas pipeline from the western Siberian fields to Western Europe, according to the London *Financial Times* Jan. 17. The fact that such a huge deal is underway while the Carter administration is imposing stringent sanctions on trade with the Soviet Union amounts to a dramatic statement by both West Germany and the Soviet Union that detente must not be allowed to die.

Top industrialists Bertold Beitz of Krupp and Buddenberg of Gelsenberg

were in Moscow this week discussing the project, which would supply 40-50 billion cubic meters of natural gas annually to West Germany. The pipeline would take five years to construct. Deutschebank head Christians will go to Moscow at the beginning of February to discuss the financing of the pipeline.

SOUTHEAST ASIA

Chinese troops mass along Laotian border

The Chinese are reported massing troops along their border with Laos in preparation for an invasion of Indochina. The report appearing in the Soviet daily *Pravda* charged that "a force exceeding one million" is expected to be involved in the operation and "the U.S. is aware of the scheme."

The Soviet daily's commentator Schedrov took the opportunity to attack the United States for support the operation. He accused Brown of being briefed on the plans during his recent trip to Peking.

The Soviet charge seems to be backed by a report in the *New York Times* of Jan. 17 where it said, "Mr. Brown let Peking know that the United States would welcome Chinese military help against Vietnam in whatever form Peking might choose to render it, if Vietnamese forces crossed from Cambodian territory into Thailand."

Soviet fears are not lessened by reports that high government officials in Thailand have been holding discussions with "interested parties" for the revival of the "Manila Pact." This treaty was the vehicle that launched the notorious anti-Communist military alliance of the Southeast Asia Treaty Organization.

SOVIET UNION

Soviets move warships toward Indian Ocean

Five Soviet warships began moving from the Japan Sea toward the Indian Ocean region Jan. 17, the Japanese Defense Ministry reports. One of the ships reportedly flies a banner marking it as having the commander of the Soviet fleet on board. Meanwhile, 100,000 Soviet army reservists have been called up to replace the reservists that have been deployed to Afghanistan, according to CBS radio the same day.

These moves are accompanied by extraordinarily tough warnings in the Soviet military press. The daily *Krasnaya Zvezda* declared Jan. 16 that any aggressor against the Soviet Union will be met with an "annihilating counterstrike." The aim of the Red Army is to defend the socialist fatherland, and this will not be changed, even "if we have to respond to a nuclear attack with the same weapons," the paper said.

MIDDLE EAST

Shakeup in Egyptian military

Two top commanders of the Egyptian armed forces have been shifted from their commands and replaced with other officers. According to the semi-official Egyptian Middle East News Agency, the command of the paratroops and commando divisions of the Egyptian armed forces were shaken up at the beginning of January.

The Jordanian newspaper *Al-Ray al-Aam* reported that the step was taken after opposition developed in the Egyptian army to Egypt's decision to offer the United States military facilities or bases in December. The shakeup followed "a wave of disgruntlement in the ranks of the Egyptian armed forces," said *Al-Ray al-Aam* on Jan. 13.

Meanwhile, the leader of the Egyptian opposition Socialist Labor Party, which is officially sanctioned, attacked the Cairo offer to have Washington use Egyptian military facilities. Ahmed Shukry said that the decision was "undemocratic and hearkened back to the days of one-man rule" and he called for a special parliamentary debate on the subject.

Sentiment against war emerges in Israel

Moshe Sharon, a top adviser to Prime Minister Begin of Israel, writing in the *Jerusalem Post* of Jan. 12, warns that putting U.S. military bases in Israel may cause the thermonuclear destruction of Israel in a new world war. Bitterly attacking Begin and Defense Minister Weizman for suggesting the idea, Sharon says that Israel must remain neutral in any war over the Persian Gulf because Israel is "too small to survive Soviet ballistic missiles on its major cities."

Meanwhile, the Israeli opposition newspaper *Davar* last week said in an editorial that by associating with the emerging Cold War Israel is jeopardizing its national security. *Davar* accused Begin of unnecessarily provoking the Soviet Union by threatening to take part in an assault against Afghanistan by backing Muslim rebels there, ridiculing Begin's "oratorical anti-Soviet activities." A Cold War, said *Davar*, would intensify the U.S. proclivity to support fundamentalist Muslim movements which can only work to the detriment of Israel.

Briefly

● **BRITAIN'S DEFENSE MINISTRY** announced this week that it is training officers and technicians for the Iranian Navy under contract with the government of Ayatollah Khomeini. A British spokesman said that Great Britain is training personnel from over 70 countries at military facilities in the British Isles.

● **WARREN CHRISTOPHER**, the U.S. Deputy Secretary of State got the cold shoulder from Europe this week. West German Chancellor Schmidt gave him only 30 minutes of his time between cabinet meetings. Foreign Minister Genscher refused to discuss what Germany's position would be in case of U.S.-imposed sanctions. In France, Christopher could only say after his meeting with Foreign Minister François-Poncet that while Europe is in solidarity with Washington, they will not be taking any joint actions with the United States.

● **URSULA LORENZEN**, the NATO employee who defected to the East several months ago, told an East Berlin press conference that NATO is seeking to alter the balance of power in its favor and is prepared to use nuclear weapons first against the Warsaw Pact and to mine the sea routes used by the Soviet fleet.

● **EXXON CORPORATION** says that world oil consumption in 1980 will be below 1978 consumption and the world can survive a total cutoff of oil from Iran in 1980. In an in-house study, the world's largest oil company concludes that world oil reserves are adequate to easily tide countries over for three months in the event of a total shutoff of Iranian oil. Overall lowered consumption needs could be met easily by existing non-Iranian OPEC production, says Exxon. Japan has already stockpiled to the limit of its storage capacity. Europe is approaching that point. Stocks are up in the United States as well.