

Mediterranean-Comecon Alliance Rejects Carter's Wargame

Italian Foreign Minister Arnaldo Forlani emerged from working discussions with Yugoslav President Josip Tito June 7 to announce that both countries are *determined not to accept sabotage* of the upcoming Belgrade Conference on Security and Cooperation in Europe. Forlani went on to warn of "grave risks" of war in the Middle East situation — the key danger spot for World War III, and the major issue which has catalyzed a Mediterranean-Comecon alliance to reject the Carter Administration's human rights wargame.

A series of intensive deployments by heads of state of Eastern and Western European nations have crisscrossed the Mediterranean over the recent period as part of the organizing effort that will culminate at the Belgrade conference, which begins June 15. As identified by the protagonists, the immediate purpose of their organizing is twofold: first, to ensure that the Carter Administration will not succeed in its announced plans to wreck the Belgrade proceedings via the "human rights" policy of anti-Soviet provocation. Secondly, to establish a "Mediterranean Security Pact" that would include leading East and West European and Middle East states as the kernel of a broad-ranging alliance for the establishment of a new world economic order.

Speaking from Belgrade on June 7, Forlani characterized the high level of agreement reached between Italy and the leading country of the nonaligned movement with the following statement: "If it were not for the fact that the word alliance implies fully integrated relations at an institutional, military and economic level, we could say that we (Italy and Yugoslavia) are allied."

Forlani's trip to Yugoslavia is an immediate sequel to extremely successful visits by Italian Prime Minister Giulio Andreotti to both Greece and Rumania. In all three cases full public agreement was reached between the respective heads of state and government ministers that under no circumstances would they allow the Belgrade conference to be disrupted through insistence on the bogus "human rights" issue.

Broad Alliance

These urgent pre-Belgrade deployments against the Carter war threat amount to a nexus for peace and development which is unprecedented in scale and complexity, encompassing Italy and West Germany for the industrialized sector, Yugoslavia as the Third World's representative, and Poland, Hungary and Rumania for the Comecon sector in a de facto "alliance" of the kind to which Forlani referred.

In a dispatch issued one day before Forlani's statement, the Cuban wire service *Prensa Latina* located the much-publicized significance of the new Italo-Yugoslav relations as an aspect of a broader diplomatic effort involving principally Andreotti's powerful Western ally, West German Chancellor Helmut Schmidt. Schmidt, himself a visitor to Yugoslavia immediately before the Italian Foreign Minister, has recently concluded

significant bilateral agreements with Poland and East Germany, as *Prensa Latina* pointed out.

The Chancellor's pointed efforts to cut through the barriers to cooperation between West Germany (BRD) and the socialist sector have also included a reshuffle in the West Berlin government, substituting the former Atlanticist mayor with a close Schmidt collaborator who has made a point of his desire for good relations with East Germany.

While Forlani was visiting Yugoslavia, Italian Premier Andreotti was entertaining President Kadar of Hungary. Kadar's trip to Rome is the first stop in a tour which will take him next to West Germany and from there through the rest of Western Europe. As with Yugoslavia, public statements released following meetings of the two heads of state have emphasized the "full convergence of agreement" between both nations on the positions to adopt at Belgrade.

France Under Pressure

While West Germany and Italy are moving rapidly in the direction of closer cooperation with Eastern Europe, the Soviet Union has begun to exert pressure on the Atlanticist French government of Giscard d'Estaing. French Foreign Minister Guringaud was placed on the carpet this week during a trip to Moscow. In a meeting with Leonid Brezhnev which lasted nearly one and a half hours, the Soviet leader lectured Guringaud on the nature of Soviet foreign policy. This was followed by a lengthier meeting with Soviet Foreign Minister Gromyko who focused his reportedly "acerbic" comments on denouncing French government cooperation with the U.S. Administration in increasing tensions in Africa.

While brandishing the stick, the Soviets also offered Guringaud a carrot in the form of offers of trade agreements sorely needed by rapidly collapsing French industry. According to the latest press reports, the French Foreign Minister agreed to a program for bilateral trade together with a declaration in support of detente.

Economic Counterpoint

The establishment of closer economic ties based on a policy of industrial development has been the consistent counterpoint to the political agreements reached. Andreotti and Kadar are planning a series of comprehensive economic initiatives with particular stress on joint cooperation in economic deals with third countries. Similar agreements were reached during Andreotti's trip to Rumania. The global political orientation of these economic discussions was identified by the characterization given by Hungary and Italy to their joint proposal for the creation of permanent commissions at the Belgrade conference to discuss the Mediterranean question "interlinking cooperation to security, and East-West to North-South relations," implying a new monetary system to re-start trade and development among the world's major economic sectors.

At the same time, the Italian government-connected thinktank, Forum for Detente and Mediterranean Cooperation, has sent its top executives to Poland for extensive political and economic talks. This flanking deployment occurred while the Italian Trade Minister Rinaldo Ossola was in Poland over the past week for the signing of a \$140 million agreement for Italian participation in Polish economic development in 1978.

The Italian newspaper *Paese Sera* summarized the overall aims and implications of the current diplomacy in a front-page editorial on June 8. A very close ally of Prime Minister Andreotti, the Communist editor of the journal wrote of Belgrade that the aim of the

Mediterranean security package is to ensure that the European Economic Community is removed from subordination to "the military and economic policies of the United States." This means not only the "disarmament of Central Europe, but also the Danube area and the Balkan peninsula" in the context of a West European successful demonstration of autonomy from Carter's war policies.

A second article in the same newspaper called for the creation of \$130 billion in liquidity by the advanced sector to carry out the necessary development of the Third World, as the precondition to the successful establishment of a lasting peace.

EXCLUSIVE

The King Hassan II Affair

In a series of interviews with newspapers around the world last week, King Hassan II of Morocco called upon Israel and the Arabs to join their resources and political will in a Mediterranean alliance. "If you put together Israeli technology and Arab oil, you construct in the region a world power," declared Hassan II.

Hassan's political bombshell has the potential to immediately transform the entire political balance in the Mediterranean Sea region. It has not yet been covered in any major American newspaper.

An analysis of the background to the Hassan II affair and the political networks which intersect the Byzantine intrigues of Moroccan politics reveals that Hassan has been activated by forces outside Morocco — in Moscow, London, and Paris — with a view toward laying the groundwork for a settlement of the Middle East crisis, thus clearing the way for a triangular political-economic accord linking the USSR, Western Europe and the Middle East.

"Israel should bet on peace," said Hassan II. "Only think of what the Arab world, disposing of its immense wealth and economic resources associated with the creative genius of Israel, could do to transform the region." Hassan added that the crisis in the Middle East, unless it is defused, "could lead to economic chaos and possibly an atomic confrontation between the superpowers, with unforeseeable consequences."

The statement from Hassan, who also initiated moves toward open diplomatic contacts with Israel, is almost without precedent from an Arab head of state.

The question is: Who is behind Hassan's initiative? The preliminary answer to that question is presented below.

The origin of Hassan's initiative goes back to mid-1976, when Italian Prime Minister Giulio Andreotti came to power. Andreotti's accession opened up the possibility that the Mediterranean basin could be the scene of a new political alliance among the USSR, Western Europe and the Arabs. The goal of the projected alliance would be two-fold: the consolidation of political security in the region by resolving the outstanding regional conflicts, including the powderkeg Middle East; and a financial and economic arrangement that might establish the kernel of a new monetary system, in which Arab petrodollar resources were a central focus.

Immediately after Andreotti came to power, a flurry of diplomatic statements and contacts by the countries of the Mediterranean littoral began, in August 1976, to point the way to a "Helsinki"-style regional pact for the Mediterranean, for which Malta was repeatedly suggested as the locale. A landmark in that process was the purchase of 10 percent of FIAT's shares by Libya and its Arab Foreign Bank. That deal, which established the basis for Arab-European industrial cooperation, was mediated in part by the USSR — and opened the door for triangular financial deals in Comecon Transfer-rubles among Italy, Libya and the USSR. According to informed sources, the FIAT-Libya deal was consummated in Moscow at a meeting attended by Soviet Party Chairman Leonid Brezhnev, Libyan President Qaddafi, FIAT Chairman Gianni Agnelli, representatives of Lazard Freres in Paris and others.

The initiative from Hassan is a continuation of that process.

According to sources close to the U.S. Defense Intelligence Agency, the origin of the Hassan II proposal to Israel came from Crown Prince Fahd and Oil Minister Zaki Yamani of Saudi Arabia during their May 26 visit to the U.S. Fahd reportedly told Carter that Saudi Arabia was seeking some country to serve as a bridge between the Arabs and Israel, and was seeking U.S. support — which was not forthcoming! The sources said that Carter did not respond to the Saudi suggestion and ignored the potential impact of an Arab leader offering to work with Israel; another source said that the Saudi proposal "is sitting on (National Security Council chief) Brzezinski's desk untouched."

William Quandt, Brzezinski's top Middle East aide, flatly denies to reporters that the U.S. is involved in any way with the Moroccan initiative. Several other U.S. sources, who would be informed if the U.S. were in any way involved in the King Hassan move, also denied knowledge of the affair.

A U.S. Nasserist source, with close Gulf contacts, added to this picture that it was in fact the Kuwaitis who pulled Saudi Arabia into the Moroccan move. The Kuwaitis, he said, are quite unhappy with the Carter Administration, and are angry with the Saudis for refusing to move more strongly against Carter after