

# International Intelligence

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## EUROPE

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### *Schmidt and Giscard meet to assess EMS diplomacy*

France's President Giscard d'Estaing and West German Chancellor Schmidt will be meeting Sunday March 16 in Hamburg to go over the results and implications of Giscard's 10 day historic trip to the Persian Gulf and Schmidt's trip to the United States to talk with Carter.

The objective of the meeting was hinted at by French Economics Minister Rene Monory who, according to *Le Figaro*, denounced the recent round of interest rate warfare provoked by the latest U.S. increase in interest rates, which, he said, would not solve inflation. Monory explained how the European Monetary System has been providing monetary stability in Europe and that Phase Two of the EMS, the creation of a European Monetary credit fund, would begin operation this year. There are two key questions which he said will be discussed by Giscard and Schmidt: what to do with the \$70 billion deficit of the Less Developed Countries and the \$110 billion surplus of the OPEC countries.

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### *Schmidt: No differences with Giscard*

At a press conference March 13, West German Chancellor Helmut Schmidt confirmed that "there is no difference" between French President Giscard's Palestinian policy and his own. Schmidt explained that he had had a long telephone conversation with Giscard on March 11 during which Giscard had suggested a meeting in Hamburg because his just-concluded Mideast tour

had brought forward "some new and interesting aspects of Middle East policy." Schmidt also said that he would like the United States to find a more "respectful" approach to nonalignment and independence in the Third World. Neutrality, he said, cannot be forced on any nation that doesn't ask for it, referencing the Afghanistan situation.

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### *Thatcher's unsuccessful seduction*

British Prime Minister Margaret Thatcher went on French television this week to get public opinion behind her campaign for "fairness and justice" over Britain's contribution to the European Economic Committee budget. The French government has taken a particularly hard-line position demanding that either Britain meet the 1,000 million pound contribution agreed upon, or consider withdrawing its membership.

Mrs. Thatcher stressed that Britain made great contributions to the EEC in fishing and trade. "I am afraid that unless we get justice fairly soon, it will be difficult to make progress with other things because we think we should make progress with things that affect us, too." There's no possibility Britain will leave the EEC, she said. The West must have "the most effective alliance we can possibly have. As the Soviet world lives together, bound together by hoops of steel, we're bound together freely and we must be effective, and there's no question of leaving the community."

The French press characterized her television appearance as "an attempted seduction." The British "iron lady," said *Le Monde* should be called the "velvet lady" because of the way she kept flitting her eyelashes in a seeming attempt to seduce the gentleman conducting the interview. *Quotidien de Paris* disagreed, suggesting the term "uranium lady" because of the way her eyes and lacquered hair sparkled during the interview.

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## SOVIET UNION

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### *Soviets praise French "realism"*

French President Valery Giscard d'Estaing is "charting an independent line from Washington," concludes the Soviet government newspaper *Izvestia* March 11. Giscard's Middle East tour, writes the authoritative commentator Alexander Bovin, is a "new manifestation" of French "realism" which "inevitably separates the policy of Paris from Washington's policy." Asserting that Moscow does not want to split Europe from the United States as is often charged, the Soviet daily heaps praise on the Franco-German alliance for peace and cooperation and adds that "without stable, regular and equal relations between the U.S. one cannot speak of stability for the system of international relations in their entirety."

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## ASIA

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### *Coup rumors in Pakistan*

On March 11, a small flurry was caused in Washington, Islamabad and other capitals when the UPI wire service carried a story, based on unconfirmed "sources" that there had been an attempted military coup in Pakistan. The coup allegedly involved some 26 top officers including the Deputy Chief of Staff General Mohammed Iqbal and Deputy Chief Martial Law Administrator General Saghir Hussein. The report was also carried in a Urdu language paper, favoring the policies of murdered former premier Bhutto, *Millat* in Lon-

don. The Pakistani government immediately denied the report.

One explanation of the report was provided by Pakistani diplomatic sources in Washington who charged that it had been prompted by the Pakistani rejection of the U.S. aid package, implying that the report had been fabricated with the connivance of Washington. The coup report in fact alleged that the officers involved were "upset" by General Zia's rejection of the aid.

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## MIDDLE EAST

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### *Clergy expected to win big in Iranian elections*

The clergy of Iran, organized into the dominant Islamic Republican Party, are expected to be the big winner in the March 14 elections to the *Majlis*, or Iranian parliament.

President Abolhassan Bani-Sadr, who has tried to decrease the power of the clergy and the ayatollahs, is poorly organized with no political base for the elections. In Teheran, whose 30 seats make up the biggest bloc of the parliament, Bani-Sadr has fielded candidates for less than half of the contested positions, and that is the pattern across the country. The Carter administration is counting on a big victory by Bani-Sadr to renew the momentum to free the U.S. hostages.

The Islamic Republican Party, led by Ayatollah Beheshti of the Revolutionary Council, has formed alliances with other religious blocs in the country, and is in the strongest position. Also running are candidates of the Tudeh Communist Party and the Mujaheddin, a left-leaning Islamic guerrilla group, which has reportedly drawn middle-class support.

Voting procedures are highly irregular. In a nation that is more than half illiterate, voters must write in the names of each of their intended candidates, which in Teheran means that voters must individually write up to 30 names on the ballot. The Interior Ministry has arbitrarily ruled various parties off the ballot, leading, in Kurdistan, to armed rebellion and strikes. The *Christian Science Monitor* reported March 13 that "widespread strikes and demonstrations" by dissatisfied parties might "bring down the government" in the wake of the election.

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## LATIN AMERICA

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### *Colombian elections signal end to democracy*

In what political observers are analyzing as the demise of Colombian democracy, over 80 percent of the country's electorate abstained from voting in the March 9, mid-term elections. In the capital city of Bogota, only 10 percent of the electorate voted. While the Colombian press is claiming the elections were a "victory for democracy," the official results reaffirm existing political alliances dominated by the oligarchy.

The elections occurred as the terrorist M-19 continued to hold 13 foreign ambassadors hostage in the Dominican Embassy in Bogota, an incident which has prompted widespread military repression, numerous raids and arrests around the country. The extraordinary levels of repression and terror, coupled with the military's known desire to stage an "Entebbe-style" raid to free the embassy hostages, are seen by many as evidence of a virtual military takeover in the country, and the reason for the unprecedented abstention rate.

## Briefly

● **IRELAND'S** Prime Minister Charles Haughey was in Paris this week, on his first official trip abroad, for talks with President Giscard and Prime Minister Raymond Barre. Interviewed by the daily *Le Monde*, Haughey stated that Ireland hopes for a solution to the European Economic Community budget fight which has Great Britain opposed to the rest of the EEC. Haughey stated he finds it absurd for a poor country like Ireland to be financing Britain's participation.

● **GENERAL ZIAUL HAQ**, Pakistan's military dictator, is a "hypocrite" says the Soviet official daily *Izvestia*, in response to Zia's latest rejection of U.S. aid offers. The *Izvestia* commentary by Kornilov, calls it "pure rhetoric, hypocrisy" and says that Pakistan continues its "undeclared war against Afghanistan." Zia, says *Izvestia*, is already acting as a "satellite" of the U.S. and China, has sold the sovereignty of Pakistan to the U.S. and the only thing he is doing is to increase his price.

● **ISMAIL FAHMI**, Egypt's former foreign minister who resigned from the government following President Sadat's visit to Jerusalem in 1977, appeared again in the pages of the Egyptian press this week. Fahmi called for Egypt to freeze relations with Israel and to halt the negotiations until the Israelis recognize the right of the Palestinians to an independent state. Because of tight censorship in the Egyptian press, the fact that the statement appeared is taken as a sign of at least tacit approval by President Sadat. During his tour of the Persian Gulf in the last 10 days, French President Giscard d'Estaing on several occasions called for Palestinian "self determination."