

phrey (D-Minn.) in October 1976 calling for a reexamination of the efficiency of Iran's military, the Shah immediately dispatched his Vice-Minister of War, General Toufanian to Moscow where he bought \$500 million worth of armaments, the largest Soviet sale ever.

Another critical indicator of a change in Iran's military posture took place simultaneously with a new diplomatic effort to forge unprecedented trade relations with Iran's Persian Gulf neighbors, most importantly its erstwhile regional allies, Iraq and Saudi Arabia. Just last month, Iran signed the first large trade protocol with Iraq and has begun serious talks with Saudi Arabia through the Saudi Planning Minister Hisham Nazir for economic cooperation. Such diplomacy plus the pull out of Iranian troops in Oman earlier this year indicates that the days of Persian military domination of the Persian Gulf are over. The Shah and his ruling elite have too many pressing concerns over domestic development to continue to be a military outpost for the United States.

The Fight For Nuclear Power

This week the head of Iran's Atomic Energy Organization, Akbar Etamad, met with U.S. officials including the acting head of the Energy Research and Development Agency (ERDA) Robert Frye to discuss Iran's nuclear program and to reopen negotiations for the purchase of eight reactors from the U.S. The official Iranian government newspaper Kayhan editorialized August 7 that the political strings which Carter was attaching to the finalization of the sale — which has been pending since 1975 — undermines Iran's national sovereignty. The Carter Administration is asking Iran to abandon its push for the transfer of spent fuel internationally in return for the sale. According to a Japanese

press source "the issue" of future Iranian-U.S. relations depends on the success of the sale. An Iranian official quoted in the *New York Times* Aug. 1 said, "We got them (nuclear reactors) from the Germans and the French... Why not the Americans our closest allies?" To underscore Iran's commitment to its nuclear development, Etamad spent nine days in Moscow inspecting Soviet nuclear capacity just before arriving in Washington, clearly making the Shah's often stated point that Iran can go "elsewhere" to buy reactors.

How Far Can A Bonapartist Go?

Just days before the cabinet change was announced a suspicious explosion of a pipeline took place on the Iranian-Soviet border. While no public explanation has been put forth for the blast, it follows by days the finalization of a large crude oil barter deal Iran signed with the Soviet Union, a part of a series of large barter deals Iran has signed with the East Bloc aimed at freeing Eastern European dependency on Soviet crude so that the Soviet Union can become a more active force on the international oil market. The explosion is a clear warning to the Shah that he can expect much more pressure from Carter in the future, particularly, if he leaves himself vulnerable by appeasing Washington in the way the recent cabinet shakeup indicates.

An Iranian with close ties to NIOC recently applauded the Shah's "skillfull" means of playing off the superpowers to get what he wants. But such a brand of bonapartism, given recent rumors, that the Shah is at the top of Wall Street's enemies "hit list," indicates Iran should waste no time in working with Europe and the Soviet Union to create a new monetary system.

— Judy Weyer

Will New Cyprus Crisis Follow Makarios's Death?

The death of Archbishop Makarios, President of Cyprus, leaves the eastern Mediterranean dangerously vulnerable to Carter Administration efforts to ignite a new Greek-Turkish crisis over the disputed island.

CYPRUS

The Italian daily *Corriere della Sera* has charged that "U.S. strategic interests are pushing for partition of Cyprus and a crisis in the eastern Mediterranean."

Speaking at a news conference in Nicosia on Aug. 9, the day after Makarios's funeral, Clark Clifford, Carter's personal emissary to the area, criticized the Turks and Turkish Cypriots for their "intransigence." Clifford's attack has, predictably outraged Turkey, and made it nearly impossible for the newly formed government there to make territorial concessions on Cyprus out of fear of "losing face" before the angry Turkish populace.

Makarios: The Stabilizing Factor

Only days before his death, Makarios, who maintained strong ties with both the Soviet Union and the Non-

aligned bloc, publicly endorsed a Soviet proposal to convene an international conference to settle the Cyprus problem. Ever since the NATO-engineered Turkish invasion of the island in 1974 that brought Turkey and Greece to the brink of war, Makarios's support of Soviet peace efforts and his refusal to play along with U.S. delaying tactics have been a key factor in maintaining a fragile stability on the fraction-ridden island and in the region as a whole. Last spring Clifford was dispatched to Greece, Turkey, and Cyprus after an historic meeting between Makarios and his adversary, Turkish Cypriot leader Rauf Denktas, to block any peace arrangement outside NATO's aegis. Makarios attacked Clifford for "meddling" in the region.

Soon after Makarios's death, several papers in Greece and Cyprus claimed that Makarios's "last death-bed wish" was that Cyprus cooperate with the U.S. on a settlement. According to these accounts, Makarios praised the "constructive role" of the Carter Administration, and especially Clark Clifford! *Rizospastis*, the Greek Communist Party daily, exposed this so-called "last wish" as a hoax and called Clifford's latest deployment to Cyprus a "blunt effort by the U.S. to intervene in recent developments" on the island."

Inside Cyprus, Makarios's death has created a political vacuum setting the stage for the outbreak of civil war and possible Turkish intervention. EOKA-B and EOKA-C, armed right-wing terrorist bands, are reportedly mobilizing their forces for clashes with supporters of the Cypriot Communist Party (AKEL), which commands the loyalty of 30 percent of the Cypriot electorate, and the Cypriot Socialist Party (EDEK). Both parties maintain strong ties with Moscow and were united with Makarios in a national front formation.

Should civil strife break out on the island, it is unlikely that Greece and Turkey will stand by idly. According to several news accounts, a troop buildup in Cyprus by both Greeks and Turks is already underway. Greece is reportedly sending troops to the island disguised as tourists. Turkey is proceeding with a decision to "resettle" the Turkish-held port city of Famagusta with Turks and Turkish Cypriots, dashing Greek hopes that the city would be returned to the Greek Cypriots in a future peace arrangement. This resettlement of Famagusta threatens to raise Greek-Turkish tensions to the breaking point.

Reports from Cyprus indicate that Makarios's hand-picked successor Spyros Kypriannou, AKEL leader Ezekias Papaioannou, and EDEK leader Vassos Lyssarides are working together to prevent the EOKA terrorists from exploiting the vacuum left by Makarios.

Challenging this front is Glafkos Clerides, who was acting president of Cyprus during Makarios' absence after the 1974 coup. Clerides, whom Makarios grew to distrust and removed from positions of power, enjoys his sole support from the EOKA right-wing extremists. Discredited and despised for his EOKA connections and his well-known links to NATO and the Council of Foreign Relations, Clerides suffered a serious beating in last year's Cyprus elections. Now with Makarios's death, Clerides is launching a final bid for power and is demanding that elections be held next month to prevent Kypriannou, President of the Cypriot Parliament, from ruling until what would have been the end of Makarios's term in February 1978. Despite Cypriot leftist backing of Kypriannou to maintain order, Clerides' power play has made a smooth transition of power impossible.

Carter Blackmails Karamanlis

The political situations in neighboring Greece and Turkey are by no means stable. Greek Prime Minister Constantine Karamanlis recently ratified a Defense and Cooperation Agreement which effectively reintegrates Greece into NATO, acceding to Carter's plans to turn the country into an outpost for U.S. intervention into the Middle East. Under the agreement, the U.S. has secured continued use of four strategic bases in Greece, including two vital spots on the Greek island of Crete.

Karamanlis could very well be overthrown in the backlash in Greece against the agreement. The NATO issue is an extremely sensitive one, especially because of NATO's lack of support for Greece during the Turkish invasion of Cyprus and Greece's subsequent withdrawal from NATO's military command. The mere fact that Karamanlis received nothing in return but a \$700 million loan for arms purchases contingent on U.S. congressional approval indicates the intensity of political and economic thuggery organized from the White House. The

Soviet news agency *Tass*, taking note of reports that the U.S. has been threatening to sabotage Greece's entry into the European Economic Community if Karamanlis didn't cooperate with NATO, charged the U.S. with "playing upon his (Karamanlis') bid to join the EEC, and upon Greece's dispute with Turkey."

Greek opposition leaders who have been pushing for a Mediterranean security pact and openings to the East bloc and the EEC have more harshly accused the Greek government of committing "national treason" for its capitulation to U.S. blackmail. This leaves Karamanlis with only two choices: violently suppress clashes between the right wing and the left, or risk being toppled from power.

To keep Karamanlis in line, a wave of terrorism has erupted in Greece. Spearheading the operation is ex-major Paraskevas Bolaris, the right-hand man of Greek fascist leader Ioannides prior to Karamanlis' return to power in 1974. Bolaris has escaped from his prison hospital and is still at large. Described as "dangerous and fanatical with special knowledge of sabotage and capable of hitting at any target," Bolaris may even target Karamanlis himself for assassination, according to several Greek press accounts. Bolaris, says the press, may surface anywhere in the world, with Italy and Africa on the top of the list.

Crisis in Turkey

Across the Aegean, Turkey is experiencing its own brand of turmoil. On Aug. 1, the new government of Prime Minister Suleyman Demirel was handed a vote of confidence by the Turkish parliament. The three-party coalition, composed of Demirel's Justice Party, the National Salvation Party of Islamic fundamentalist Necmettin Erbakan, and the National Action Party of neo-Nazi Alpaslan Turkes, is almost identical to the previous four-party government also led by Demirel that plunged Turkey into two years of left-right clashes that resulted this year alone in 135 deaths and hundreds wounded. Since Demirel's installation two weeks ago, acts of terror are increasing. On Aug. 5, six people in Ankara were shot down and killed in one of the bloodiest incidents this year.

Both Erbakan and Turkes are intransigent reactionaries. As Deputy Prime Ministers in the new government, both Erbakan and Turkes wield extraordinary power in the cabinet and are operating as direct agents of the U.S. National Security Council to keep Demirel from adopting a more moderate stance vis a vis Cyprus and to block Turkish collaboration with anti-Carter forces in Europe.

Also exerting pressure on Demirel is the extremist faction inside his own party led by newly appointed Defense Minister Bilgic, who is known for his pro-Turkes sympathies, and the nonagenarian former President of Turkey between 1950 and 1960, Celal Bayar. This faction is known for its strong opposition to Turkey's state-sector industrial enterprises and is pushing Demirel to cooperate with the International Monetary Fund's demands to abandon it.

The IMF, which currently has a delegation in Turkey, is calling for the Turks to impose an austerity program including the imposition of higher taxes, the end to state subsidies, and devaluation. Demirel, fearful of the public

backlash, has been reluctant to risk his political skin by carrying out such unpopular policies.

Not surprisingly, banks on Wall St. have become impatient with the stalemate situation in Turkey. With the weak Demirel government unwilling to carry out austerity, bankers are letting it be known that a military coup d'état by militarists close to former colonel Turkes would be a welcome event. However, the more traditionalist Chief of Staff Sancar and President Koruturk are waging a battle to undercut and remove from positions of power the renegade elements in the army. The focus of the fight

is the current battle around the line of succession in the army and navy high command.

According to one banker, Demirel meanwhile is madly exporting tobacco and wheat to the U.S. and West Germany to obtain badly needed foreign currency for debt repayment. The export of wheat has already led to a severe bread shortage and long bread lines throughout the country. "This is only the beginning," commented the banker. "You will soon start seeing shortages in everything."

— *Nancy Parsons*