

# International Intelligence

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## EUROPE

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### *Europe denounces 'Anglo-Dutch oil conspiracy'*

The governments of France and West Germany have begun officially attacking what French television characterized Dec. 4 as "an Anglo-Dutch oil conspiracy." The European anger follows reports that the Iranian government has asked British Petroleum and Royal Dutch Shell to negotiate their oil supply for next year, to take advantage of the extra 800,000 barrels a day made available by the stopping of oil exports to the United States.

At the Dec. 4 Brussels meeting of European energy ministers, French minister André Giraud demanded that Britain either increase North Sea oil production, or at least pledge to make oil preferentially available to other EC members in an emergency. Britain, backed by the Dutch delegate, refused, and went so far as to attempt to prevent the French and West Germans from writing the exchange into the official minutes.

At the same time, Chancellor Helmut Schmidt, speaking to his Social Democratic Party conference in West Berlin, denounced the "unjustified oil price increase policy of the multinationals" as an "impertinent provocation." He said, "I would rather have tighter controls over their pricing policy."

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### *Warsaw Pact Ministers meet*

The foreign ministers of the Warsaw Pact have issued a communique stating that a NATO decision to "modernize," producing new weapons and "their actual deployment, would destroy the basis for future negotiations." Defense Ministers and the Foreign Ministers of

the Warsaw Pact countries are meeting in East Berlin, on the eve of NATO's Dec. 12 decision on new medium-range missiles in Western Europe.

The European press reports widespread speculation that the Warsaw Pact may announce a new initiative to prevent the NATO decision at the last minute. One possibility frequently mentioned is that the Soviet Union would stop producing its medium-range SS-20 missiles, or withdraw some from the western regions of the U.S.S.R.

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### *Lynch forced to resign*

Irish Prime Minister Jack Lynch, in a surprising and unexpected announcement, told a news conference that he intends to resign his post as soon as a successor can be chosen. The leading contender to succeed Lynch as head of the party Fianna Fail, and hence as prime minister, is his long-time rival Charles Haughey, the present Minister of Health.

Haughey was dismissed from the Lynch Cabinet in 1970 over accusations that he was involved in a plot to smuggle arms for the IRA. He was acquitted of the charges and was reinstated.

Lynch has been under intense personal and political pressure since the August assassination by IRA terrorists of Earl Mountbatten of Burma. Political opponents have accused him of "watering down" the aspirations of his party for the unification of Ireland.

Lynch is identified with Ireland's economic boom over the past decade and particularly with the decision to bring Ireland into the European Monetary Fund, breaking the link with the British pound sterling. He has always favored a gradual approach to reunification of Northern Ireland with the Republic, based on industrial and economic cooperation. "Hawks" in the party such as Haughey want to force through a different political program. As one Belfast editor put it: "Charlie Haughey in power could only make things in Ulster more tense than ever."

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### *Portuguese election solves no problems*

A coalition of three parties which would have been soundly defeated, had they run separately, instead appears assured of a narrow victory in the Portuguese Parliamentary elections held Dec. 3. The exact figures will not be available until next week, when all the postal ballots are counted; but as of Dec. 6, the "Democratic Alliance" has won 44.6 percent of the popular vote.

The Alliance's biggest left opposition is the Socialist Party, whose vote fell to 27.4 percent as compared to the 1976 total of 34.8 percent—reflecting a loss of popularity by Socialist leader Mario Soares, the prime minister for two years. Some socialist defectors appear to have voted for the Communist Party, whose total went to 19 percent from its 1976 total of 14.3 percent.

With Portugal's left and right approximately evenly squared off, the country appears headed for a paralyzing and potentially disastrous battle during the next ten months, at which time new parliamentary elections occur as mandated in the national constitution. Francisco Sa Carneiro, the self-styled Social Democrat who will probably become the new prime minister, has announced that his government will make a priority of expunging the Portuguese constitution of its "socialist jargon" and its protection of state-sector industries.

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## ASIA

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### *Ohira in Peking— new arms build-up?*

Japanese Prime Minister Masayoshi Ohira began a much-publicized visit to Peking Dec. 5 which has raised many eyebrows. The talks with Chinese leaders may portend a revival of Japan's military role in Asia.

Publicly, Ohira has done much to

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emphasize the "peaceful" nature of his visit. The Japanese government has announced it plans to provide China with the first ever "soft" government loans, and Japanese newspapers report Ohira plans to "discourage" Chinese leaders from invading Vietnam again.

However, despite these disclaimers, many are not convinced. The Japanese daily *Yomiuri* reported this week that Ohira's package for economic cooperation with China has "aroused reaction" among members of the prime minister's own ruling Liberal Democratic Party, who are worried it will provoke an "unfavorable reaction" from the Soviet Union. The Soviets have said as much, reporting through the news agency Tass that the economic package was designed to "strengthen" Chinese military capabilities.

One tip-off lies in Ohira's announcement that the Korean peninsula will be a major topic of discussion on the tour. Many prophets of the "China Card" believe that with President Park of South Korea removed from the political scene, a major "obstacle" to the full fruition of military and political cooperation between Washington, Tokyo, and Peking has been removed.

## MIDDLE EAST

### *OPEC near split over oil prices*

Ahmed Zaki Yamani, Oil Minister of Saudi Arabia, reportedly walked out of a meeting of the Organization of Arab Petroleum Exporting Countries held Dec. 4 in Kuwait to prepare for the OPEC meeting later this month in Caracas, Venezuela.

Yamani's walkout—although denied by official conference sources—was reportedly provoked by demands from Libya and Syria that OPEC lend its support to Ayatollah Khomeini and

launch a boycott of the United States.

But the real issue, according to European sources, is that Yamani and Saudi Arabia are firmly opposed to a new increase in the price of oil. With the exception of Iraq, however, Saudi Arabia is isolated in OPEC, and the kingdom is coming under great pressure from other OPEC countries to go along with a price increase. Pressure for an increase is led by Iran and Libya.

Yesterday, an Iraqi official announced that Iraq is opposed to another sharp oil price increase "that would damage the world economy." The statement gained wide support from the semi-official Saudi press. Should Saudi Arabia relent on the price issue, it is expected that the price of oil will jump from its present \$18 to \$23.50 level to well over \$30 per barrel.

## AFRICA

### *Front accepts British ceasefire*

The nationalist Patriotic Front of Zimbabwe-Rhodesia agreed to the broad outlines of British Foreign Secretary Lord Carrington's ceasefire proposals in London Dec. 5. Lord Carrington opened the conference Sept. 11 to negotiate replacing the illegal government of European settlers with a black government. Now Carrington has obtained the Front's agreement to his proposals for a new constitution and transitional arrangements leading to independence.

The transitional arrangements call for the appointment of a British governor to run Rhodesia while a new government is formed. The Front has been conducting guerrilla warfare against the present government for seven years.

The agreement came one and a half days after Carrington delivered an ultimatum to the Front. Carrington threatened to implement those aspects of the settlement already agreed to without the Front's participation.

## Briefly

● **HAFIZOLLAH AMIN**, Afghanistan's President, is rumored by West Germany's *Frankfurter Allgemeine Zeitung* to have concluded a truce agreement with Ayatollah Khomeini. Iran and Afghanistan have been open enemies, since Iran is being used as a base for "Islamic" rebels against the Kabul government. The rumor is called by leading Afghan official sources "a complete lie."

● **INDIRA GANDHI**, a political "untouchable" in India last year, is acknowledged by almost all observers to be heading for victory in Indian national elections Jan. 3-6. The scent of victory has sent numerous of her opponents in the split Congress party back into her camp. Included are two ministers in Prime Minister Charan Singh's government, H.N. Bahunguna and Brahmananda Reddy. Finance Minister Bahuguna is now General Secretary of Mrs. Gandhi's Congress.

● **EZER WEIZMAN**, Israeli Defense Minister, was in London for three days during the week of Dec. 3, an event that has gone generally unnoticed. Weizman is being touted by Israeli and European newspapers as a successor to Prime Minister Begin, and the Dec. 5 decision by Israel's Supreme Court not to deport West Bank Arab Mayor Bassam Shaka'a may be the act that will propel Weizman into power. Weizman is seeking an active "new role" for Israel and has offered Israeli advice for American military action in Iran.

● **THE SOVIET UNION** on Dec. 6 began a ceremonious withdrawal of the first of 1,000 tanks and 20,000 troops from the German Democratic Republic. The unilateral withdrawal was announced by Soviet President Leonid Brezhnev in East Berlin Oct. 6 and is intended as a gesture toward further troop-reduction negotiations with NATO.