

International Intelligence

EUROPE

Giscard brings economic package to India

French President Giscard d'Estaing arrived in India Jan. 25 for a state visit which is expected to cement a new relationship between France and India.

According to informed Indian sources, the visit will focus on regional political stability and economic cooperation. Highly placed French sources have revealed that they view the trip as having the greatest importance, providing France with an opportunity to stabilize the region following the Afghan events and U.S. efforts to stage a major arms buildup in Pakistan.

Nuclear energy cooperation will be high on the economic agenda including expanded French assistance for India's fast breeder program, and financing arrangement for supplies of enriched uranium. Also up for discussion will be a French-built steel plant, an aluminum processing plant, and aid to agroindustry. Prime Minister Indira Gandhi will welcome such economic ties with an independent France, Indian sources say. Soviet Foreign Minister Gromyko is expected to follow shortly with his own visit.

Germany continues to back off from U.S. military plans

In a statement to the press following the return from Washington of Foreign Minister Genscher, a spokesman for West German Chancellor Schmidt put forward his best diplomatic front while clearly hedging on American demands that West Germany increase military spending.

While agreeing that his government "wants to work out a total conception for a common strategy with the allies to

meet the Soviet challenge," press spokesman Hans Gruenewald carefully noted that West German participation would be limited to economic aid.

The Schmidt government, he noted, would concentrate on three points: (1) "extraordinary economic aid" to Turkey, (2) considerable economic aid to Pakistan as part of the U.S. consolidation plan, (3) political and economic cooperation with the Gulf States, including Iraq. This latter point has been repeatedly proposed by both the West German and French governments as part of their package for deepening the Euro-Arab dialogue.

A high ranking West German military source reported in private discussion that "there very definitely exists a big difference of interests between the U.S. and Europe" with respect to the Soviet Union, and that "detente is most definitely divisible." Citing recent statements from Defense Minister Apel, the source said that if the U.S. chose to withdraw troops from Europe to reinforce troop strength elsewhere—such as the Indian Ocean—it would create a gap in central Europe which could not be covered by the West German Army.

LATIN AMERICA

Jamaica breaks under IMF conditionalities

The Jamaican government of Michael Manley has announced the lay-off of 11,000 public-sector workers in the midst of what has been characterized as the worst economic crisis since 1929. The layoffs, which include teachers, hospital and service workers, are the government's response to demands by the International Monetary Fund that Jamaica's \$500-million deficit be reduced to a maximum of \$370 million before any loans are granted.

The layoffs will have a multiplier

effect of 7 to 1 on the rest of the economy, according to one diplomat. Unprecedented and drastic shortages in virtually every consumer category are already in effect. Basic items such as eggs, milk, bread, cornmeal, salt and sugar had disappeared totally from the market shelves and have only begun to trickle back into the cities following the decree of massive price increases for those products. The entire island was without electricity for two full days due to a strike and predictions of anarchic outbreaks are being reported.

Perhaps the most revealing aspect of the degree of control the IMF now exercises over the Manley government was indicated in a recent speech the Jamaican president delivered to the Jamaica Teachers' Association last week. Speaking to the nation's educators on their tasks for the future, Manley warned that Jamaica could no longer afford to believe that progress was preordained. The generations of the 1980s and 1990s would have to be trained to accept a future whose primary requirement was "the capacity to survive," he forecast.

ASIA

Ohira pushes Pacific Basin concept

Japanese Prime Minister Masayoshi Ohira returned to Tokyo this week following a 6-day trip that included stopovers in New Zealand and Australia with the aim of winning over the ASEAN nations to his Pacific Basin concept.

The Pacific Basin concept is aimed at economic, cultural, and other non-military cooperation among countries which border on the Pacific. According to Foreign Minister Saburo Okita who accompanied the prime minister, Ohira is open to both Chinese and Soviet participation. But, in the U.S. version, it is based on a triangular axis of the U.S., China

and Japan drawing on support from the ASEAN nations. Okita went on to say that it is unlikely that the Soviets will participate.

Australia reacted favorably to the concept and the Australian National University agreed to sponsor a symposium to promote it in October.

This plan has been on the international drawing boards for some time and has been put forth by former U.S. Ambassador's to Japan, Hodgson and Robert Ingersoll, as well as other members of the so-called 8-man U.S.-Japan Wise Men's group. While serving with the Wise Men's group, Saburo Okita also headed a study group on the Pacific basin which presented an interim report to the Prime Minister in November.

MIDDLE EAST

Islamic Conference to chart nuclear capability

The upcoming Islamic Conference in Islamabad, Pakistan, will discuss the acquisition of an "Islamic atomic bomb" capability, Kuwait's *Al-Anbaa* reported this week. Lending credence to this report is not only the venue of the meeting, the Pakistan of General Zia, who has been seeking such an "Islamic bomb" to be put in the service of the Muslim Brotherhood-affiliate Jamaat-e-Islami party which runs him. The story also rings true because this meeting is itself a Muslim Brotherhood affair.

According to British press reports, the official announcement for the Jan. 26 conference was made by the London-based Islamic Council of Europe, an institution which *EIR* has repeatedly identified as an international command center for the Brotherhood. An affiliate of the ICE, the Islamic Institute of Defense Technology has been involved for months in building up the capability for

the acquisition by Zia's regime of the most sophisticated weapons technologies available.

The Islamabad conference will reportedly be attended by 30 of the world's 42 Islamic nations. Egypt is being ostracized; nations boycotting the meeting include Syria and South Yemen. The participation of the Palestine Liberation Organization is doubtful.

Turkey accepts IMF demands

The Turkish government this week announced a whopping 60 percent devaluation of its currency, official Turkish sources reported Jan. 24. The devaluation follows intense pressure from the International Monetary Fund for new economic austerity measures. According to the French newspaper *Les Echos* Jan. 22, the IMF has been demanding "draconian austerity" as a means of dealing with inflation rates running higher than 70 percent and unemployment rates surpassing 20 percent. *Les Echos* says that the Organization of Economic Cooperation and Development (OECD) has refused to grant Turkey badly needed credits until the government complies with the IMF.

Acceptance of the IMF demands is expected to lead to worse social unrest in a country already wracked by the worst terrorist wave in all of Europe. Last month, the heads of the Turkish Army warned that the government of Suleiman Demirel had better come to a policy agreement with the traditional Republican Peoples' Party opposition or the Army would take appropriate action to restore order.

The IMF measures occur as the economic situation in Turkey is already horrific. Aside from the inflation and unemployment rates, the Turkish press is reporting shortages of—and in some cases the absence of—gasoline, fuel oil, pharmaceutical drugs, and other vital commodities.

Briefly

● **RADIO MOSCOW** claimed this week that Israel and China have negotiated a first-ever deal for the sale of missiles between the two countries. France's *Le Figaro* Jan. 23 reported that the Radio Moscow broadcast has received extensive attention in the Israeli press. No Israeli government statement on the alleged deal has yet been made.

● **SOVIET SPIES** were recently uncovered in Japan's Defense Agency where they supposedly have been passing information on U.S. defense capabilities in the Far East. The arrest of the spies and the exposure of their Soviet Embassy military attaché controllers broke shortly after the Afghan events. Informed sources link the scandal to Japanese resistance to the Carter administration's efforts to rope them into joining economic sanctions against the Soviets—the source of the information exposing the spies is said to come from U.S. intelligence agencies.

● **FRANCESCO COSSIGA**, Italy's Prime Minister, flew to the U.S. Jan. 23 to carry out what reliable sources in Rome called a prearranged deal with the Carter administration. That is, in exchange for American funds with which to finance the buying up of votes within the Premier's Christian Democratic party—nearing an internal factional showdown—Cossiga promised to get out the Italo-American vote for Carter. Rightly hated by many left and conservative circles in Italy, Cossiga had formerly been forced to resign his position as Interior Minister by then Premier Andreotti for his collusion with terrorists during the 1978 kidnapping and murder of Christian Democrat Aldo Moro by the Red Brigade terrorists. To win over sufficient support inside his party now, Cossiga is in desperate need of sizeable American funding.