

International Intelligence

Latin America

Lopez Portillo blasts "Common Market" idea

Mexico's President José López Portillo has officially rejected the idea of a "North American Common Market" between the U.S., Canada and Mexico. During his just-concluded state visit to Canada two days ago, López Portillo told the Canadian Parliament that "the creation of such an entity would inevitably hinder our industrial development and condemn us to perpetually extracting and exporting raw materials for their consumption by more advanced societies."

López Portillo included his rejection of the "common market" in the joint communiqué with Canadian Prime Minister Pierre Trudeau at the end of his visit yesterday. Such a common market, the document states, would "endanger Mexico's sovereign right to decide its own economic policy." Mr. Trudeau stated in the same communiqué that Mexico-Canada relations would be best served through direct, bilateral negotiations.

Nicaraguan shake-up strengthens IMF hand

The appointment of two members of Nicaragua's private sector to that country's governing junta on May 18th, temporarily resolved the most serious crisis in the shaky government coalition since its formation almost a year ago. The crisis had been provoked by businessman Alfonso Robelo who resigned from the junta in early May calling on the country's private sector to pull out support for the new government because of

growing "Soviet influence" in the government. Robelo took this step immediately upon return from a "private" visit to Washington.

The new appointments however, strengthen the hand of the Jesuit faction within the government and relations with the austerity advocates of the International Monetary Fund. Arturo Cruz is the key man appointed. Cruz, head of the Central Bank and in charge of debt renegotiations with international financial institutions until his promotion last week, is a monetarist, with many years experience in the InterAmerican Development Bank, Latin America's mini-"IMF." Cruz's other "qualifications" include two degrees from Georgetown University, the Jesuit institution most familiar for the name "Henry Kissinger." Cruz supports an autarchial, labor intensive agriculture-based economy for the country, along with more "radical" Jesuits within the government.

Washington immediately responded to the news of the appointments with the passage of a \$75 million credit for Nicaragua by Congress, following several months of stalling.

Europe

Offroy says U.S. threatens world war

French Ambassador Raymond Offroy was interviewed yesterday by the *Journal du Parlement* on the thesis he had earlier presented in an article he authored for *Le Monde*. His hostile interviewer, citing the *Le Monde* piece, asked how he could accuse the U.S. of provoking war.

Offroy responded that his insights had come "from a recent trip to the United States," which was then followed

by the failed rescue attempt of the hostages. Reiterating the thesis he had put forward in *Le Monde*, Offroy stated that the rescue plan had never been meant to succeed; that the U.S. attitude to Europe is one of dictatorship, and that the policy of the "peanut brigade" in the White House is in fact one which inherently threatens the world with the danger of another global war.

This may not be the explicit policy of the White House policy makers, he said, but war will nonetheless be the inevitable result of their program. Citing the rapidly deteriorating international situation, Offroy warned that a Sarajevo may be just around the corner. U.S. policy, he said, has lost its basis and stability.

On U.S. relations with China, he warned that a Chinese-U.S. alliance would surely lead to World War III because the Soviets could never accept such an alliance. Zbigniew Brzezinski, he said, who is now responsible for policy, is even more dangerous and deranged than was Henry Kissinger.

Warheads for Britain's Trident missile in jeopardy

Skilled manpower shortages at Great Britain's top-secret Aldermaston Atomic Weapons Research Establishment mean that key weapons programs may be jeopardized, according to a confidential report prepared by the British Defence Department. The laboratory is working on warheads that would be installed on the new Trident submarine-launched missiles which Britain is expected to purchase from the United States, to replace the aging Polaris-Submarine Squadron.

The House of Commons Select Committee on Defence will start its in-

investigation into the Polaris replacement in the next few weeks. But according to a report in the May 20 London *Times*, the Aldermaston lab may be able to provide the warheads on time. Aldermaston is 59 percent short of the health physicists required to ensure the safety of its processes and plant. The shortage of safety experts is due to low pay and dangerous conditions: the government offers salaries which are £3,000 to £4,000 less than the private sector. In addition, reports of high concentrations of plutonium in the Aldermaston lab has led to a decline in staffing overall.

Middle East

Khomeini tells parliament to spread revolution

Iran's new Islamic parliament—dominated by the right-wing fundamentalist clergy—convened May 28 with a reading from the Koran and a message from Ayatollah Khomeini. Read by Khomeini's son Ahmad, the message exhorted the members of parliament to remain loyal to the Islamic revolution in Iran and to "promote it to other countries in the world."

It is the new parliament that is to decide whether or not to free the U.S. hostages. The terrorists holding the Americans at the U.S. embassy in Tehran have said that a parliamentary decision in favor of freeing the hostages must be accompanied by an "acceptable reason." The Islamic Republican Party—the dominant force in the parliament—is restating earlier threats to put the captives on trial.

Meanwhile, Iran's internal situations have been resumed, with more than 50 persons killed by court order over a recent six-day period. All of those killed were involved to

varying degrees in efforts to topple the Khomeini regime. Kurdistan is especially tense. President Bani-Sadr has dispatched the new commander of the Revolutionary Guards to Kurdistan to lead the battle against the Kurdish rebels.

A purge is also being planned for Iranian universities. The education minister has proposed the closing of all universities for the next two years, during which time they will be completely purged of all anti-Khomeini dissidents.

Asia

India in huge arms deal with Soviet Union

India announced yesterday the signing of a \$1.6 billion arms purchase from the Soviet Union, in what amounts to the largest single arms deal ever concluded by New Delhi. The package specifies interest payments of 2.5 percent per year payable over a 17-year period.

The deal is a dramatic political statement by both India and the Soviet Union regarding the increasingly tense atmosphere in South Asia. China continues to back separatist rebels in Assam in the Northeast of India. The United States continues to conduct a "show of force" in the Indian Ocean and Persian Gulf. And Pakistan, together with Iran, continues to fully back rebels against the government in Soviet-occupied Afghanistan. These situations, in both Indian and Soviet eyes, are linked strategically by the China card and the "arc of crisis" policies of the United States. By signing such a large arms deal, India and the Soviet Union have stated they will remain friendly in war or peace.

The Soviet Union is also providing heavy water to India for use in nuclear power plants.

Briefly

● **ENRICO BERLINGUER**, Italian communist leader, speaking in Venice May 27, launched a first stinging attack against the international environmentalist movement and its elite global leadership. Singling out individuals such as Prince Bernhard of Holland, Berlinguer said the environmentalists were "liars" whose sole aim was to "return the world to the Stone Age."

● **29 IRANIANS** were executed last week by Ayatollah Khomeini, known as the "Blood Judge," for their alleged involvement in drug dealing, but it had nothing to do with drugs. According to informed Iranian sources, the 29, a good portion of whom were military men, comprised a relatively moderate faction centered around Admiral Madani and opposed to Khomeini's excesses. Madani was President Bani-Sadr's choice as Prime Minister, and was blocked from assuming this position several weeks ago by the extremist clergy.

● **LA NOTTE**, the Italian newspaper, headlined its May 29 edition "Is the Cossiga Government on the Verge of Collapse?," following reports that Prime Minister Francesco Cossiga has been formally accused by the Italian magistracy of having cooperated in the escape of a wanted terrorist leader. The accusation was raised by Turin Judge Caselli, who alleged that Cossiga, together with his Interior Minister, had warned Senator Donat Cattin that his terrorist son was being sought by the police.

● **THE CONFEDERATION** of British Industry's latest report warns that "it will be increasingly rare for companies to enjoy satisfactory and adequately profitable levels of activity."