

International Intelligence

Schmidt and Giscard hold policy summit

The Feb. 5-6 summit meeting between French President Valéry Giscard d'Estaing and West German Chancellor Helmut Schmidt ended with a major commitment to nuclear energy and above all to extending the European Monetary Fund, according to preliminary reports from Bonn and Paris. The Paris meeting addressed four major issues: the international monetary situation, relations between Europe and the United States, Schmidt's upcoming visit to the United States, and U.S.-Soviet relations. The *Executive Intelligence Review* will carry a full report next week, including the text of the final communiqué.

Maneuvers to coopt Iranian exile movement

Former Iranian Prime Minister Ali Amini, once denounced by the late shah as an agent of the Central Intelligence Agency, declared himself the leader of the Iranian exile community last week in a press conference in Paris.

When asked about his program for Iran, Amini replied, "No comment." No wonder: Amini's program is in fact the Dark Ages economics pushed by Pol Pot admirer Abolhassan Bani-Sadr, president of Iran.

According to intelligence sources, Amini is meeting regularly with Admiral Madani in London to work out how to coopt the large anti-Khomeini exile community into support for "opposition" by Bani-Sadr, Madani, and Amini. The operation, according to long-time Iran subverter Prof. Richard Cottam, of the University of Pittsburgh, is designed to pull the rug out from under Shahpour Bakhtiar, who has been trying to bring together the Iranian exile movement in cooperation with France and Iraq. In his press conference, Amini attacked Bakhtiar for his alliance with the Iraqis.

Last year, Madani was one of Bani-Sadr's choices for the post of prime minister, but was rejected by the hard-liners.

According to insiders, Amini and Madani have already formed a shadow cabinet, one of whose members is reputed to be Seyfollah Nabavi, Khomeini's former doctor. Nabavi, now living in Paris, recently was involved in an unsuccessful British intelligence-sponsored effort to prevent the convening of an *EIR* conference on Ibn Sina in Paris.

Argentina dropping de Hoz policies

The 10 percent "maxidevaluation" of the Argentine peso last week may signal the beginning of the end of the policies of Economics Minister José Martínez de Hoz, which have bankrupted not only Argentina's exporters but major sections of industry and finance. De Hoz had given his solemn word to hot-money speculators that the overvalued peso would be devalued by only 2 percent monthly until the end of March, when he formally leaves office with his protector, President General Jorge Videla.

Incoming President General Roberto Viola has stated that he is committed to "reactivating the economy," which could mean dumping many of de Hoz's Friedmanite policies. Argentina's vulnerability to the economic time-bomb set up by de Hoz forces Viola to work very carefully to avoid problems such as panicked capital flight during his transition process. How fast and how far he will go in changing de Hoz's model is still a matter of speculation and intense backroom combat.

In the new cabinet, de Hoz's "super-ministry," which effectively ruled the country, has been broken up. One part goes to General Diego Urricariet, whose stalwart defense of broad-based nationally owned industrial capabilities made him the *bête noire* of the London banking circles dictating de Hoz's deindustrialization strategy.

Investors should be attentive to

changing rules of the game, including possible further devaluations, multiple exchange rates, export incentives, restored protection for key industries, and restraint on foreign takeovers of Argentine companies.

Environmentalist to be Norway's PM?

The new prime minister of Norway will probably be Mrs. Gro Harlem Brundtland, a 42-year-old Social Democrat with little support from the party's trade-union base, but with great favor from the media. She was one of the fiercest critics of the government's plan for offshore oil development in 1976. She claims to be "neither left nor right," but emphasizes "issues": women's rights, free abortions, child care, and environmentalism.

Mrs. Brundtland's husband is a top "national security specialist" and member of the highly pro-NATO Conservative Party.

After a prolonged fight inside the Norwegian Social Democratic Party, Prime Minister Odvar Nordli, a personal friend and political ally of West German Chancellor Helmut Schmidt, was forced to resign Feb. 1. Nordli supported Norwegian membership in the European Monetary System and progrowth policies generally.

Leading the campaign against Nordli was Social Democratic Party Chairman Reulf Steen, a leftist supporter of the Socialist International. A leftist mobilization against establishing Norwegian depots for NATO arms and equipment caught Nordli in the middle.

People's Republic fears new labor unrest

The Chinese leadership, which has been so supportive of Poland's "Solidarity" labor movement, has found that the phe-

nomenon is not quite so pleasant when staged in its own backyard. The *Chang-jiang Daily*, reporting that Chinese workers in the industrial city of Wuhan have tried to form independent trade unions on the "Solidarity" model, complains, "A small number of people wish to break away from the leadership of the party and form so-called free trade unions and independent student unions."

Reports of similar labor activity in Shanxi has prompted the Communist Party organ *People's Daily* to warn: "Trade unions are workers' organizations under the Communist Party leadership. Workers and staff members should resist the tendency to adore capitalism and advocate bourgeois liberalization."

French wires reported Jan. 15 that Shanghai authorities have issued new warnings against street demonstrations following massive protests by unemployed workers and discontented youth. The Press Trust of India says strikes in Shanghai and several other industrial cities involve a few hundred thousand dissatisfied workers.

British, Israeli leaks aimed at Saudis

Israeli and Anglo-American press outlets last week printed a stream of black propaganda on the Persian Gulf with the aim of expanding the Iraq-Iran war to include Saudi Arabia, the main supplier of oil to Europe and the United States. A series of articles in the *New York Times*, the *Financial Times* of London, and the Israeli daily *Ha'aretz*, claims that the Saudis are shipping Soviet and/or American weaponry to Iraq to aid Iraq in its war with Iran.

The aim of the Anglo-Zionist intelligence faction responsible for these leaks is to induce the Iranian extremists to attack the Saudis and their Gulf neighbors, either through military deployment or through acts of terrorism.

The Iranian news agency Pars has announced that it has evidence that Saudi

Arabia, Kuwait, and other Gulf states plotted with Iraq before the Iran-Iraq war to finance the anti-Iran war effort. Gulf observers warn that Iran has stepped up efforts to destabilize Kuwait, Bahrain, Saudi Arabia, and other countries in the region.

The suspicious nature of the stories on Saudi transshipments of weapons to Iraq was underscored by comments from the Soviets and the Iraqis. The Soviet news agency TASS called the reports "absurd." Iraqi Deputy Prime Minister Ramadan announced that "the Soviet Union has stopped implementing prewar contracts signed with Iraq," the bluntest statement to date by an Iraqi official on the question of military aid from Moscow.

To cover their tracks, the British press, through Reuters, has begun to put out the line that the arms-transfer stories might be merely "part of the propaganda battle between the superpowers."

Social Democrats vote against nuclear plant

In open insurrection against the federal government headed by Chancellor Schmidt, the Social Democratic Party (SPD) in the city-state of Hamburg voted Feb. 4 by 198 to 157 against the construction of a nuclear power plant in nearby Brokdorf.

Construction continues at the site, however, and federal Economics Minister Otto von Lambsdorff declared Feb. 4 that the government will not change its position in favor of the plant.

The chairman of the national Christian Democratic Union, Helmut Kohl, expressed support for nuclear energy Feb. 5, stating that the nuclear program transcends party issues. Count Lambsdorff, a Free Democrat, told the daily *Bildzeitung* that the crisis in the SPD on the issue will not affect the Free Democratic-SPD coalition on which Schmidt's government is based, and called for "reason" to prevail.

Briefly

● **TOP-LEVEL** intelligence circles in London are buzzing with rumors that the dossier of the case involving the 1967 resignation of Amnesty International Secretary-General Robert Swann is about to be reopened for investigation. Swann left his post following a dispute with Amnesty founder Peter Benenson, who accused Swann of being a British intelligence agent.

● **ANA GUADELOPE**, commandant in El Salvador's umbrella guerrilla front, the FMLN, and Hector Oqueli, foreign-policy spokesman for the Democratic Revolutionary Front, met with former Swedish Prime Minister Olof Palme in Sweden early this month, and will meet with Swedish Foreign Minister Ola Ullsten.

● **THE SUDAN SOCIALIST Popular Front**, sponsored by Qaddafi, is broadcasting calls for the overthrow of the Numeiry government in Sudan. A high-level French military delegation visited Sudan in mid-January, followed by a Jan. 29 visit from French Acting Defense Minister Robert Galley, who discussed the Libyan occupation of Chad.

● **THE DEFENSE** ministers and chiefs of staff of Nigeria, Niger, and Cameroon held a Jan. 29 summit in Lagos, Nigeria to plan responses to the Libyan takeover of Chad. At the same time, Nigerian Foreign Minister Ishaya Audu made a five-day visit to France, and discussed the Libyan problem.

● **FRENCH POLICE** investigating the December Guadeloupe bombing attempt on President Giscard were surprised, according to *Le Figaro*, to come across a former Algerian FLN politburo member, now teaching in Guadeloupe, who studied in a revolutionary school in Prague for two years.