

International Intelligence

China rebuffs U.S. on missile sales

Leaders of the People's Republic of China refused to make any commitment regarding the U.S. proposal that China curb its sales of missiles to Middle Eastern nations, Secretary of State George Shultz acknowledged at a news conference July 15.

Foreign Minister Qian on July 14 cited statistics on arms sales showing that China is neither the biggest nor the only supplier of ballistic missiles to the Middle East. Zhao Ziyang, the Communist Party leader, cited similar statistics. The Chinese response to the U.S. request was described as "testy."

At his news conference, Shultz would not comment directly on a *Los Angeles Times* report that China has already consummated a sale to Syria of M9 short-range ballistic missiles, except to quote Chinese leaders as saying flatly that they have made no ballistic missile sales except for a previously announced supply of intermediate-range missiles to Saudi Arabia.

Indicating that the United States has no intention of penalizing China over the missile sales, the United States went along with a decision by the 16-nation the Coordinating Committee for Multilateral Export Control (CoCom), to further relax restrictions on high-technology exports to China.

Panama's President seeks changes in electoral code

Panamanian President Manuel Solís Palma opened a national debate on changes in the electoral code, in a speech July 18 before the national legislature. He recommended that the code be changed so as to reflect the possibilities of continental integration, as well as the moral force of Pope John Paul II's latest encyclical, *Sollicitudo Rei Socialis*. The encyclical drew attention to the deteriorating economic situation in the developing countries, and condemned both socialist and "free market" capitalist models for failing to deal with the problem.

Panama is planning to reform its electoral law in August, leading into elections next spring.

President Solís stressed that the country should resolve its political differences through democratic deliberation, but warned opposition forces that a population which has been subjected to sudden penury will no longer be interested in empty slogans.

The "Battle of Panama," he said, is defined by the nation's refusal to be a U.S. colony. "Those who seek foreign masters will find wealth and well being for only a few and dependence on some foreigners who have already demonstrated no other loyalty than to their own greed."

After expressing gratitude to those Ibero-American countries which have given Panama economic aid, President Solís stressed the opportunities for continental integration. "Panama's bitter drink today," he said, "is serving as a detonator of old Latin American aspirations which have been discussed and contemplated without being given concrete and effective form. The integration of all Latin America in a joint endeavor of development and progress for all our peoples calls us to action with renewed urgency, given that we see the same weakness which we received as the fruit of economic dependence, be transformed into an arm of more acute and dangerous strategic domination."

New 'Nazi hunt' launched in Britain

A new round of fraudulent "Nazi hunting" has erupted in Great Britain, using "evidence" provided by Soviet intelligence services.

The KGB has been successful in getting the government of the United States to deport naturalized citizens solely on the basis of Soviet-reported "evidence" that such people were Nazis. The same operation is now being replayed in Britain.

The British government announced that it has been presented with a list of 250 alleged "Nazi war criminals" living in Britain. Almost all of them are of Baltic and Ukrainian origin.

The Independent newspaper on July 15 reported that the Soviet Union "supplied many of the names on the list." The *Daily Mail* reported that 110 of the names were supplied by the Russians.

The latest round coincides with the quiet arrival in London July 15 of Edgar Bronfman, chairman of the World Jewish Congress. He has been engaged in extensive negotiations with the Russians over Soviet Jewish emigration to Israel. "Nazi hunts" against anti-Soviet emigrés are known to be a Kremlin *quid pro quo*.

Two British officials assigned by the government to investigate the "Nazi war crimes" question will travel next week to the Soviet Union, to gather "evidence."

The London *Guardian* reports that 60 individuals living in Britain, Israel, and the United States are now prepared to give evidence against "Nazi war criminals" living in the U.K. The British government was informed of this by Ephraim Zuroff, the top "Nazi-hunter" at the Simon Wiesenthal Center in California. According to Zuroff, this will add credibility to the cases, since at least some of the evidence against the "former Nazis" will allegedly not have been "Soviet-provided."

Catholic daily blasts Baltic 'nuclear-free zone'

The July 16 *Avvenire*, Italy's leading Catholic daily published in Milan, has harshly attacked the decision by Norway, Sweden, and Finland to transform the Baltic Sea into a "nuclear-free zone" as proposed by the Soviet Union. The decision means that the Soviet Union will be the only nuclear power in the area, with vast "conventional" superiority there as well, it stated.

The article notes that 60% of Soviet nuclear submarines are located on the Kola Peninsula and that the Soviets are building the biggest aircraft carrier in the world there, at 70,000 tons.

In addition, the most efficient divisions of the Red Army are based there: the 45th and 54th Motorized Divisions, the 76th Air

Briefly

Transport Division, and the 63rd Naval Brigade, all aimed at the only NATO country in the area: Norway.

"Nor is it true that under Gorbachov, the preparations of the U.S.S.R. for war have decreased: To the contrary, they have accelerated, aiming at new weapons, with high technological content: chemical and bacteriological weapons, radio frequency weapons, power lasers."

Israel, PLO in secret negotiations

Israeli Prime Minister Yitzhak Shamir is being accused by his Labor Party opponents of holding secret negotiations over the Occupied Territories with the Palestine Liberation Organization, through Romania. Israeli Energy Minister Moshe Shahal is said to be the intermediary.

PLO spokesman Abu Sharif had earlier stated that the Likud party had held out to the PLO the possibility of administering parts of the West Bank and Gaza Strip. Shamir had denied that claim, but Israeli Council for Peace spokesman Moshe Amirav said that, before departing for a visit to Romania a month earlier, the premier had asked him for the transcripts of Amirav's meetings with PLO representatives, to know how far the PLO was ready to go in negotiations.

The Paris daily *Le Figaro* reported that the PLO, which fears that the unrest in the Occupied Territories "may be out of control," has been eager to negotiate with the Likud, since the PLO believes that "only a strong right-wing government can make peace."

However, Abu Sharif's statement has become electoral ammunition for the Israeli Labor Party, since it can now show that the Likud is *doing* what it denounces the Labor Party for merely *saying*.

Energy Minister Shahal has urged Shamir to make public the minutes of his meeting with Romanian leader Nicolai Ceausescu, and stated that Likud-PLO negotiations are still being held in Bucharest, Romania, by former Defense Minister Ariel Sharon.

In a July 12 interview with the *Jerusalem Post*, Shamir confirmed that the PLO had sent him a special message through Romania proposing direct negotiations. Shamir refused to say more on the proposal. He merely said that the PLO was trying to "exploit ideas they know we support" (i.e., direct negotiations). "However, the key issue is which framework." He added that it was very difficult to believe in any signals or memoranda "coming from such an organization."

The pressure within Israel for a negotiated settlement is growing by the day. Ezer Weizman, acting secretary general of the Labor Party, stressed on July 13 that Israel should be "ready to change its borders with Jordan."

Soviets in overture toward Japan

Soviet General Secretary Mikhail Gorbachov appears to have begun a comprehensive review of Soviet policy toward Japan, according to Japanese officials in Moscow cited by the *International Herald Tribune* on July 18.

A strong faction in the Soviet military opposes any concessions to Japan, but the opposing faction appears to be gaining the upper hand, according to Prof. Hiroshi Kimura, a Soviet expert at Hokkaido University in Japan.

There are already conciliatory overtures being made. Officials of the Soviet National Committee for Asia-Pacific economic cooperation, part of the Soviet Academy of Sciences, said they would be willing to discuss the status of the Soviet-occupied Japanese Kurile Islands, during a previously scheduled symposium with Japanese researchers.

The issue of the islands, occupied by the Soviets at the end of World War II, will also be raised at meetings between Soviet Communist Party officials and representatives of the Japanese Socialist Party, Japanese political sources reported.

● **MIKHAIL GORBACHOV** was scheduled to meet former Japanese Prime Minister Yasuhiro Nakasone at the end of July. Nakasone went to Moscow in a private capacity, but accompanied by the Japanese foreign ministry's Soviet specialist. Japanese-Soviet diplomacy will include private talks between Foreign Ministers Eduard Shevardnadze and Souzuke Uno at the United Nations in the fall, in preparation for a visit to Japan by Shevardnadze.

● **THE CLUB OF ROME** International met in Poland July 1-4, the first official meeting of the malthusian group in an East bloc country.

● **THE PHILIPPINES** is undergoing a constitutional crisis concerning an anti-nuclear weapons provision in the Constitution. But Justice Secretary Sedfrey Ordonez has ruled that President Corazon Aquino has the authority to allow U.S. bases to remain in the Philippines despite the anti-nuclear provisions.

● **OTTO VON HAPSBURG**, who renounced his status as heir to the throne of the Austro-Hungarian Empire, has visited Hungary. The last time a Hapsburg heir visited that country was over 70 years ago.

● **THE ROYAL INSTITUTE** of International Affairs in London is currently sponsoring key opposition figures from Malaysia and Singapore to speak.

● **TOP PERUVIAN** liberation theology theoretician Gustavo Gutiérrez addressed the Lambeth Conference of the Church of England July 20. Gutiérrez's ideas have provided part of the ideological underpinning for the legitimization of the drug-linked "informal economy" in Ibero-America.