

Bonn's Defense Minister Hounded Out Of Office

Faced with the prospect of 17 new wire-tapping scandals directed against him, West Germany's Defense Minister Georg Leber announced Feb. 1 that he was willing to resign from his post. His resignation became official two days later when Leber declined to follow Chancellor Helmut Schmidt's request to reconsider.

WEST GERMANY

During the past two months Leber had been hounded by an escalating series of scandals, beginning with the revelation in December that an East German spy working in the Defense Ministry had stolen documents potentially damaging to NATO security planning. When it became clear that Leber could and would successfully defend himself against the charge that he had deliberately played down the affair's seriousness, a new wave of bugging scandals was launched, centering on his military security agency, the MAD.

In one episode, the maniacal head of the Bavarian Christian Social Union, Franz Josef Strauss, accused the MAD of having illicitly eavesdropped on his (Strauss's) ordering the destruction of material implicating himself in the old Lockheed scandal. In another, certain members of the Christian opposition parties formed a parliamentary committee whose purpose was to open the files on every scandal in the past four years.

This pressure was orchestrated by Britain and by a group of Britain's allies within the West German media

and defense establishment, a fact clearly demonstrated by reports of the final hours before Leber decided to resign. According to an inside report from the regional newspaper *Kieler Nachrichten*, Leber, until late Jan. 31, was resolved not to give in to the efforts to undermine him and Chancellor Schmidt. But late that evening a group of Leber's top aides lured him to a four-hour session, during which they convinced the Defense Minister to "take responsibility" for the 17 new bugging cases. According to the daily *Frankfurter Allgemeine Zeitung*, it was "a disloyal and conspiratorial group of people (which) has forced Leber to resign."

The "conspirators" include Harald Wust, Inspector General of the West German Army (the Bundeswehr); the head of the military intelligence agency MAD, Comossa; and State Secretaries Helmut Fingerhut and Gen. Karl Schnell. During last week's investigatory hearings into the original anti-Leber spy affair, Wust and his associate Gen. Domröse were in the forefront of those accusing Leber of negligence.

Leber has been thoroughly hated by the British not only for his close relationship to Chancellor Schmidt, but for his recent drive to install more West German generals in the NATO leadership as a counterbalance to the British representation, which is grossly out of proportion to Britain's responsibilities in the alliance. Along with Schmidt, Leber has also opposed Henry Kissinger's attempts to stir up anti-Communist hysteria in Europe. This attitude is exemplified by Schmidt's statement last month, at a joint press conference with Romanian President Ceausescu, that he does not consider West Germany to be a "pillar" of NATO.

W. German Cabinet Reorganized

The resignation of Defense Minister Leber has prompted Chancellor Helmut Schmidt to undertake a long-planned reorganization of the Social Democratic members of his 15-member cabinet. Although some of the new ministers have little experience in their allotted fields, Schmidt has expressed confidence that this will be outweighed by the broader leadership qualities the Chancellor hopes to instill into them. The new cabinet will nevertheless have vulnerabilities in the areas of financial and economic policies.

Defense Minister Georg Leber has been replaced by Dr. Hans Apel, who has been Finance Minister since mid-1973. Both Apel and Schmidt are part of a moderate, industry-oriented grouping of Social Democrats based in Hamburg. He is a trusted ally of Schmidt, and in recent months has not yielded significantly to harebrained British schemes for reflating the West German economy. If anything, he will probably be an even stronger Defense Minister than his predecessor.

Apel's Finance Ministry post will be occupied by Hans Matthöfer, until now the Minister of Research and Technology. Matthöfer has a background in the Metalworkers

Trade Union, where his role has always been to keep contact with, but not join, the British-controlled "left-wing" groupings used to control the West German labor movement. He is, for example, an Honorary President of the German Section of the London-based terrorist front, Amnesty International, and during his term as Research and Technology Minister has had a poor record in supporting the urgent development of West Germany's nuclear sector. However, his turn last year away from a full "zero growth" perspective indicates that he can be favorably influenced both by Schmidt and by his working-class base.

The new Research and Technology Minister is Volker Hauff, since 1972 a State Secretary in the same ministry. Hauff is only 38 and represents the next generation of national leadership being cultivated by the Chancellor. He has a background in computer technology and telecommunications, having worked for IBM Deutschland before entering government service.

Minister for Regional Planning, Housing, and Urban Development Karl Ravens has resigned in order to return to his home state of Lower Saxony to lead the

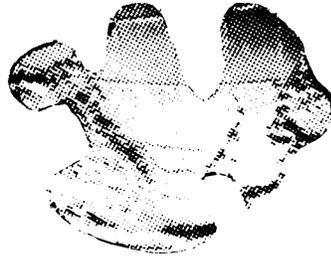
campaign for the June 4 legislature elections. Replacing him is Diether Haack, a State Secretary in that ministry. Through Ravens and through his association with the Federal Ministry for Intra-German Relations during the 1960s, Haack has close ties with the conservative "Kanalarbeiter" ("sewer workers") grouping of Social Democrats which form an international part of Schmidt's political base.

Minister of Education and Science Helmut Rohde is being replaced by Jürgen Schmude, who has served as State Secretary in both the Education and the Interior

Ministries. He ran his own law office in Essen from 1964-1971, and is reported to be close to Schmidt's ally Herbert Wehner, leader of the Social Democrats' parliamentary group.

Rainer Offergeld has been appointed to succeed Marie Schlei as Minister for Economic Cooperation. With a background in tax law, he served as State Secretary under Karl Schiller's Economics and Finance Ministry from 1972-1976, remaining with the Ministry of Finance when the two ministries were separated in 1976.

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EXECUTIVE INTELLIGENCE REVIEW SPECIAL REPORT
DAILY ENERGY INTELLIGENCE BULLETIN
THURSDAY, JANUARY 11, 1978

LEADING U.S. BUSINESS DAILY CALLS FOR CUTOFF OF NUCLEAR COOPERATION WITH INDIA

JAN. 11 - THE WALL STREET JOURNAL, A LEADING U.S. BUSINESS DAILY, RAN A MAJOR EDITORIAL TODAY CALLING ON THE CARTER ADMINISTRATION TO CUTOFF NUCLEAR COOPERATION WITH INDIA. IN A SCATHING DENUNCIATION OF THE CARTER VISIT TO INDIA, THE 'OPEN NINE' INCIDENT AND ABOVE ALL HIS COSMETIC CONCESSION THAT HE WOULD AUTHORIZE SUPPLY OF ONE SHIPMENT OF ENRICHED URANIUM TO INDIA, THE JOURNAL STATES: 'SO WHILE THERE ARE AT LEAST SOME ARGUMENTS FOR ENDING NUCLEAR COOPERATION COLDLY AND BLUNTLY AS THE CANADIANS DID AFTER THE INDIAN EXPLOSION, THE JOURNAL CONCLUDES: IT IS EASY ENOUGH TO BELIEVE THAT MR. CARTER DOESN'T NOTICE NIXES AND IS IN ADDITION SO CONFUSED HE THINKS A LETTER WILL KEEP HIS HAND OFF PERHAPS THE HEAVY WATER SHIPMENT. BUT ON THE OTHER POLICY IMPACT DESPITE THE INDIANS WHO WERE INTENDED TO OVERHEAR TO TELL US A LIE WAS USING THE PLOY TO MISLEAD THE AMERICAN PEOPLE.'

WHAT IS REALLY GOING ON?

WHILE THE DUST HAS NOT YET SETTLED ON THE CARTER TRIP, BRITISH PRIME MINISTER JAMES CALLAGHAN HAS ARRIVED IN INDIA TO SUPPOSEDLY EVOLVE THE COMPROMISE FORMULA TO BRING INDIA INTO AN ACCEPTABLE STATUS ON THE NON-PROLIFERATION QUESTION. WHILE THE U.S. STATE DEPARTMENT TODAY ADAMANTLY DENIED ANY TRUTH TO THE STORY THAT CALLAGHAN 'HAS SUCCEEDED WHERE CARTER HAS FAILED', AS PRESENTED BY THE LONDON TIMES, TODAY'S LONDON DAILY TELEGRAPH ADDS THAT CALLAGHAN HOPES TO TAKE DESAI'S SECRET 'PROMISES AND CLOSING DETAILS AT THIS TIME. HE WOULD USE THESE ASSURANCES TO PRESS THAT COUNTRY TO AGREE TO NEW RESTRICTIONS AND SAFEGUARDS ON ITS CONTRACTED FRENCH NUCLEAR REPROCESSING PLANT. CALLAGHAN ARRIVED IN PAKISTAN JAN. 11, ONE DAY AFTER THE NEW YORK TIMES ANNOUNCED THAT FRANCE HAS REQUESTED THE PAKISTANIS CONSIDER ALTERATIONS IN CURRENT CONTRACTS.

MIDWEST COLD FREEZES OHIO COAL STOCKPILES

JAN. 11 - AS THE NATIONAL STRIKE OF U.S. COAL MINERS AND COAL-HANDLING MACHINERY, A SPOKESMAN FOR THE ELECTRIC UTILITY TOLD THIS NEWS SERVICE THAT CUSTOMERS HAVE BEEN ASKED TO VOLUNTARILY CUT THE FACILITY IN SHIPPINGPORT, PA. HAS BEEN SHUT A DAY. HOWEVER A SECOND COLD FREEZE IS EXPECTED TO HAVE THE UTILITIES AFFECTED ALL WEEKEND. THE ONGOING MINERS' STRIKE ALTERNATIVE USED LAST WINTER DURING SEVERAL WEEKS IN FRESH COAL TO REPLACE FROZEN COAL. THE OHIO STATE ENERGY OFFICE DURING TV COAL DELIVERIES TO RESIDENTIAL USERS

A SPOKESMAN FOR THE U.S. DEPT. WILL DO NOTHING IN THE PRESENT SITUATION. HE ADDED THAT THE PRODUCTION BY THE ONGOING STRIKE AND UNTIL THEN THE GOVERNMENT CONSERVATIVE BRIT. FIRING OPPOSITION

TOM KING, BRIT. GOVERNMENT HIS D. OF

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