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EUROPE

Schmidt boasts of approving Pershing missiles

Chancellor Helmut Schmidt of West Germany has boasted that he was the first political leader to call attention to military strategic imbalances in Europe favoring the Soviet Union, in an interview with West German journalists this week. Schmidt, speaking one day after NATO's Dec. 12 meeting, where the Bonn government joined London and Washington in approving the production of Pershing II strategic nuclear missiles for later stationing on the continent, was asked about his "warning" on Soviet strength at the London meeting, responding: "Not only there (London), but also in personal discussions with Mr. Brezhnev, Kosygin, Gromyko, and in my talks with many other statesmen in the East and West ... We are very much interested in the extension of cooperation with the East ... but this can only be done from a standpoint of equality between East and West. Balance, that is the real purpose of the decision NATO made yesterday ... The Soviets have undergone a remarkable rearmament in accordance with SALT I."

One reporter pointed out that Moscow has taken an extremely hard line against the decision NATO has just taken—the Pershing II missile's production. Schmidt said, however, "I think it can be taken as certain that the Soviet Union will not step out of international disarmament talks ... they wouldn't do that. The Soviet propaganda will not stop that soon, naturally...."

One respected and knowledgeable European commentator, however, sharply disagrees with Schmidt. Frenchman Paul-Marie de la Gorce—whose views often represent those of the Giscard government—wrote in *Le Figaro* that West Germany's adherence to the NATO decision on new missiles has granted hegemony to the "Schlesinger doctrine" of "tactical nuclear war" in-

side NATO. Either West Germany now continues its present course, which is extremely provocative toward the U.S.S.R. and increases the likelihood of war, or West Germany follows in France's footsteps and leaves NATO altogether. Approving the Pershing missile decision, says de la Gorce, leaves the Bonn government no third course.

Italy's Communists threaten government collapse

Emmanuele Macaluso of the Italian Communist Party's (PCI) Central Committee said that his party considers the time ripe for an end to the "truce" represented by the present coalition government under Christian Democratic Premier Francesco Cossiga. Macaluso made his statement during an interview published in the Dec. 16 issue of *L'Espresso* magazine.

An unofficial consensus had existed that the present government should be allowed to rule until after the Christian Democrats' national congress at the end of January. However, it appears, said Macaluso, that the Christian Democratic congress won't solve anything, and nothing is to be gained by waiting. Macaluso said that the PCI, the country's second largest political party, will not support any government in which it is not represented at the cabinet level.

Cyprus to Britain: Get out

Cypriot President Spiros Kyprianou issued a call this past week for the dismantling of the two military bases that Great Britain maintains on the island nation.

In a Dec. 3 address, President Kyprianou asserted that his government will never allow the use of the two bases for operations beyond what was agreed upon with Britain. He also states that in

the future the Cypriot people would like to see their island completely demilitarized.

The two British bases in Cyprus, one of which is known to house nuclear weapons, are used as intelligence-gathering posts and command centers for terrorist and gun-running operations in the Middle East and eastern Mediterranean, according to intelligence specialists.

MIDDLE EAST

Muslim Brotherhood terrorists infiltrate U.S.A.

The Carter Administration is covering up the fact that hundreds of trained assassination squads under the command of Iran's Ayatollah Khalkhali and the Muslim Brotherhood have secretly infiltrated the United States and plan to carry out terrorism here.

According to highly reliable Iranian sources, when the students seized the U.S. embassy in Iran, they acquired the use of the official U.S. visa stamp, and proceeded to issue hundreds of illegal visas for entry into the United States. Since mid-November, at least 300 Iranians have entered the United States bearing false visas. Informed sources report that these students are members of Iran's secret police, SAVAMA, and Ayatollah Khalkhali's Muslim Brotherhood.

Last week, following the murder of the Shah's nephew in Paris, Khalkhali announced that he has killer squads "in Europe and the United States" to hunt down "opponents of the Revolution."

The U.S. State Department and other agencies, including the Immigration and Naturalization Service, have knowledge of the entry of these terrorists because they have traced the serial

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numbers on the phony visas—yet they have done nothing. In addition, the INS has been enjoined from carrying out federal orders to expel Iranian terrorists as the result of a court decision Dec. 11 by Judge Joyce Green, who ruled that the INS was violating the civil rights of Iranians by demanding their passports be checked! That suit was brought as a joint action of the Socialist Workers Party and the National Emergency Civil Liberties Committee, a Communist Party front. Both the SWP and the CPUSA are supporters of the terrorist Iranian student organizations.

LATIN AMERICA

Bolivia: heading for another coup?

Bolivia's recently appointed interim civilian president, Mrs. Lydia Gueiler, announced Nov. 30 an economic austerity package including a 25 percent devaluation of the Bolivian peso, substantial price hikes in gasoline, and a rise in the interest rates on loans from 16-19 percent. The measures, which Gueiler's military and civilian predecessors were unable or unwilling to impose, correspond to the "financial stabilization" package set down by the International Monetary Fund as conditions for providing debt relief and lifting a months-long credit blockage. Bolivia is now scheduled to receive \$500 million in aid from the IMF, World Bank, Interamerican Development Bank, and the Venezuelan and U.S. governments.

While the Gueiler government's austerity package won praise from the international banking community, the unpopular measures have provoked a domestic crisis in Bolivia and renewed rumors of military coup conspiracies. The powerful Bolivian Confederation of Labor, which has denounced both the IMF and the "reactionary" Gueiler cabinet,

held a 24-hour national general strike this week in support of peasant organizations who are demanding higher prices for their produce.

Brazil devalues currency

Foreign investors have reacted with confusion and concern to Brazil's 30 percent "shock" devaluation of its currency and dismantling of its corporate subsidy system. President J.B. Figueiredo's Dec. 7 announcement is designed to clear away a complex system of economic incentives and controls which encouraged industrialization.

Under pressure from an unpayable \$50 billion debt burden, Brazil is now attempting to curb imports and stimulate exports, especially of agricultural products. Since it is not clear yet how the latest "drastic" changes in the Brazilian economic model will accomplish these goals, further steps are expected.

One big question is where the investments needed for added production will come from. The government is ending its generous programs of subsidized credit. The devaluation hits hardest at companies which will now have to come up with 30 percent more cruzeiros to repay their foreign loans; and bankers expect many of these to go under, unless bailed out by the government. Even those "smart" companies who sheltered \$5 to \$10 billion from the devaluation in special Central Bank accounts now find those funds effectively "frozen," and are "moaning and groaning about how bad they had been deceived," according to a knowledgeable bank source.

The new measures slash food subsidies and come on the heels of a 58 percent gasoline price boost, fueling inflation already over 75 percent, while wages are being increased only 57 percent. A series of spontaneous riots of poor workers highlight the popular desperation. The Times inquires, "Can the negative consequences of the new measures be contained at a time of increasing unrest?"

Briefly

● **KOREAN GENERAL** Chung Seung Hwa, Chief Martial Law Administrator since the assassination of Park Chung-hee, has been arrested amid rumors that a coup is in the works in Korea. Chung was arrested by his deputy, Army Counter-Intelligence Corps chief Chung Dong-won, who is said to reflect "young generals" in the Korean military. The State Department response was quick, calling on the Korean military not to halt the pace of "democratization."

● **EDWIN REISCHAUER**, the former U.S. Ambassador to Japan is reported by reliable sources to be worried that the Korean Christian opposition might be trying to move too fast to force liberalization. A member of the Council on Foreign Relations, Reischauer reportedly fears that the job has not been done properly, and could provoke the Korean military to clamp down on the Jesuit-directed Christian opposition.

● **SADASIVA DANGE**, founder of the Indian Communist Party (CPI) resigned his post as party chairman and issued an open letter attacking the party leadership for its alliance with Prime Minister Charan Singh. Dange states that: "Our failure to understand Indra Gandhi as representative of the patriotic national bourgeoisie which is intrinsically anti-monopolist, anti-imperialist and anti-feudalist in character ... has landed us into the most ridiculous position."

● **A SOVIET MILITARY** delegation led by the commander of Soviet ground forces concluded lengthy visits to the southern African countries of Angola and Mozambique on Dec. 5. The Soviet visit comes amidst continuing South African raids into Angola, and immediately preceded the reimposition of British control in Rhodesia.