

# International Intelligence

## **French, Soviet spokesmen send messages to Reagan**

Jacques Kosciusko Morizet, a former French ambassador to the United States, wrote in the daily *Quotidien de Paris* on Jan. 22 that the Reagan administration should end the era of economic warfare against France and Europe. "Trade war should be curbed," said Morizet. "The policy of high interest rates should cease, as well as the deliberate manipulation of dollar rates on the money markets. . . .

"Political solidarity means economic solidarity," he concluded. The former ambassador further commented that the new administration must think about committing itself to the industrial development of the Third World, since "the replacement of 'Castros' with 'Pinochets' serves no useful purpose." Morizet added that France will continue to pursue her own European and Third World policies in any case.

On Inauguration Day, Soviet President Leonid Brezhnev telegraphed the new U.S. President: "It is our belief that, at present, it is essential for all nations to press for improving the international situation and promoting peace. . . . I am confident that the positive development of relations between the Soviet Union and the United States, and their constructive cooperation in handling vital international issues—and, on our part, we do favor such cooperation—would further the achievement of the above-mentioned goals."

## **France challenges Israeli jet sales**

In the middle of negotiations between Israel and two Latin American nations, Mexico and Colombia, for sale of Israeli Kfir jets, France has warned it may try to block the deals.

According to an article in the Israeli daily *Haaretz* Jan. 15 reported on in the

Mexican press, French diplomats are warning that the Kfir jet includes pirated technology and that the maker of the French Mirage, Dassault, may go to court to prevent Israeli sales of the planes without paying royalties.

Mexico is negotiating for 20 planes in a package with a reported \$250 million pricetag. Colombia has stated that it is seeking 12 planes. Mexican press correspondents in Israel report that if Israel loses these sales, it may have to close down part of its aeronautics industry.

Mexican Defense Minister Félix Galván López, completing a visit to Israel Jan. 15, made an unscheduled stop in Paris on his return to Mexico. He stated as he left Israel that the Mexican decision will be made known in two to four weeks.

## **U.S. claims against Iran diminish Carter's bounty**

Following Jimmy Carter's transfer of assets to Iran's Khomeini government and its banking creditors, a 100-company group of U.S. corporations, the New York Plaintiffs Steering Committee, is making a legal challenge to the arrangement under the 1969 Vienna Convention, which deems treaties void if they are concluded "by threat or use of force in violation of the principles of international law."

Members of the Steering Committee include Brown & Root, Xerox, Ingersoll-Rand, and Halliburton.

Four billion dollars or more in Iranian deposits was still in U.S. domestic bank branches as of Jan. 22. Carter had wanted to transfer these funds as well, but the corporations raised "serious constitutional and other legal questions" in federal courts to deter him.

What Mr. Carter already transferred in return for the hospitality shown to U.S. citizens by the mullahs: \$1.4 billion in U.S. Treasury bills, sold for cash and deposited at the Bank of England and released to the mullahs; \$960 million in gold (1.3 million ounces) yielded to the

BOE and released to the mullahs; \$4.7 billion in Iranian deposits in U.S. bank branches overseas to the BOE, of which \$3.6 is being held to cover Iran's foreign debts. To this \$7.1 billion sum is added a billion in interest accrued.

Meanwhile, Saddam Hussein, president of Iraq, issued a statement Jan. 19 accusing Carter of making his agreement with Iran in order to release arms shipments to the Khomeini regime. Some European sources report that such shipments had already begun, and that the Bank of England has negotiated new loans to Teheran.

## **El Salvador conflict goes international**

The Salvadorean civil war is rapidly assuming international proportions. According to the Mexican press, up to 3,000 troops from Honduras and 2,000 from Guatemala are now engaged in the conflict on the side of Salvadorean government forces.

The leftist guerrillas have also enlisted the support of international brigades. It was the landing of a 100-man foreign guerrilla invasion force in mid-January, reportedly from Nicaragua, that was used by Carter to justify the resumption of military assistance.

In a replay of the "bring the war home" anti-Vietnam war mobilizations of the 1960s, the Jesuit circles that created the Junta are now launching a campaign to protest U.S. involvement in El Salvador. The Washington Office of the Jesuit Missions has arranged for the purchase of a large ad in the *New York Times* to denounce U.S. support for the "illegitimate" Christian Democratic Junta. Jesuits are also circulating a statement in the U.S. claiming that the Junta enjoys no popular support in El Salvador, and one Jesuit spokesman says major protest demonstrations will be staged, including one at the United Nations headquarters in New York during the coming weeks.

The decision by the former Carter

## Briefly

administration to restore \$5 million in military aid—including helicopter gunships and, more significantly, additional military advisers—to the ruling Junta in El Salvador has increased the danger of United States involvement in a ground war in that Central American country. "This could make them [the Salvadorean military] more and more dependent on U.S. technical advisers," the *Washington Post* commented Jan. 14. "That's what happened in Southeast Asia," the newspaper noted.

### **India-Mexico summit to steer North-South policy**

Mexican President José López Portillo told the *Times of India* that he considers his visit to India, which begins Jan. 25, of "fundamental importance . . . a South-South dialogue . . . in its widest ramifications." International policy questions, not bilateral relations, are the focus of the talks, including "prevention of catastrophic conflict between the two major powers."

The discussions precede by less than a week a foreign minister-level conference of the Nonaligned Movement in New Delhi. Mexico and India are known to want to move Cuba out of the movement's leadership. Prospects are growing for a Mexico-India-Iraq leadership of the underdeveloped sector, prepared to work with the new U.S. administration and Western Europe on technology transfer and global credit reorganization.

### **How to conduct China trade**

Two representatives of an American chemical firm recently described the process of selling to China:

"First, you have to be invited in. That means they have already investigated

you. No one will talk to you without an invitation. Then the conversation goes:

" 'I will sell for such-and-such a price,' you begin.

" 'That's too high a price,' he replies but refuses to name a counterprice.

" 'Well,' you continue, 'I can be flexible on the price, but that depends on the quantity. How much do you want to buy?'

" 'That depends on the price.'

"The man you are dealing with is not the final factory user of the chemicals, but an Export-Import Corporation official. He says he, in turn, can sell to the factory, so much at one price and less at a higher. Finally, you name a price and quantity, you will sell to him, and the deal is clinched."

### **Malaysian warns of Peking threat**

The chairman of the Communist Party of Malaysia (CPM), who has been living in Communist China for 24 years, is now warning of Chinese subversion of his and other Southeast Asian nations after his reappearance in Malaysia last month.

Musa bin Ahmed, chairman of the CPM, told a Kuala Lumpur television audience Jan. 6 of the continuing Chinese threat to Malaysia. Musa emphasized that China's long-term objective is to support underground pro-Peking guerrillas, and warned other Southeast Asian nations not to fall prey to Peking's treachery.

The Malaysian government had kept Musa's return a secret for two months, and timed disclosure of his return to coincide with an official visit by a Chinese minister.

Musa's about-face on China contradicts the soothing claims of Singapore's Socialist International-linked Premier Lee Kuan Yew, who, following a recent trip to China, sought to assure ASEAN leaders that Peking would abandon support for the communist underground in Southeast Asia.

● **HANDELSBLATT**, the West German business daily, comments that the Carter administration's hostage deal means that in the future there will be even more barbarous hostage-taking. The *Süddeutsche Zeitung* calls it a defeat for international law. London's *Daily Telegraph* recalls how Carter and Vance ignored warnings about the hostage seizure in September 1979.

● **CHIAPAS'S** state government in the southeast Mexican oil region defused within 48 hours a "peasant" upsurge that blocked access to the Cactus petrochemical center. Tensions remain, according to Mexican reports, as the group of 2,500 to 10,000 peasants set a 30-day deadline for the national oil company, Pemex, to compensate them for land and end "pollution."

● **BOGOTA'S** Superior Tribunal Court on Jan. 15 lifted an arrest warrant against Fausto Charris Romero, president of the Colombian Anti-Drug Coalition, permitting Charris to attend an international symposium in Rome at the end of March. Charris announced that he and the coalition will vigorously campaign for expanded U.S.-Colombian antidrug cooperation in the wake of the Reagan inauguration.

● **ALFRED GROSSER**, a distinguished French historian specializing in German history, writes in the current issue of the business magazine *L'Expansion* that Friedrich von Hayek's theories are "scandalously immoral" and "totally contrary to the principles enunciated in the beginning of our Constitution. . . . And he is honored! And he is acclaimed by the National Assembly! And economists claim to be his heirs!"—a reference to Prime Minister Raymond Barre.