

International Intelligence

New Dutch unity government formed

After nearly two months of negotiations between the Netherlands Christian Democratic Appeal Party and the Dutch Labor Party, a new coalition government was formed on Nov. 6. The "grand coalition" represents a government of national unity. The Prime Minister will be Ruud Lubbers, the Christian Democratic leader who had been Prime Minister in the former government. The posts of Foreign Minister, Economic Minister, and Ministers of Environment and Social Affairs will be held by the Christian Democrats. The posts of Deputy Prime Minister, Finance, Interior, Defense, and Development Cooperation Ministers will be held by the Labor Party.

According to Dutch observers, many of the Labor ministers are moderates and are not expected to initiate any dramatic shifts in government policy. One observer commented that "people are too concerned with the unstable situation in Eastern Europe" to initiate a drastic change in government policy concerning NATO or security policy.

A senior Dutch military source commented that from a security and NATO point of view, "it is a workable government."

Kissinger wants 'respect' for China

The United States must resume a normal dialogue with the People's Republic of China if it wants to ensure stable politics in Southeast Asia, Henry Kissinger said in Hong Kong on Nov. 6, addressing a conference on the future of Asia-Pacific economic relations. "I notice that the Japanese are increasing their military efforts. . . . If now America cuts itself off from China it will affect all our relationships in Asia," Reuters quotes Kissinger as saying. "We do not have to approve what took place. . . . but we have to deal with the future, and the future requires the resumption of a dialogue based on mutual respect."

Kissinger said he is optimistic that

Beijing will not interfere too closely with Hong Kong affairs after 1997, and that, as Beijing still wants reunification with Taiwan to work, it would make a serious effort to make sure that the Hong Kong experiment worked.

From Hong Kong, Kissinger traveled to Communist China, where he met on Nov. 8 with Politburo members Vice Premier Yao Yilin and Li Ruihan. Chinese state television described the meetings as "friendly" and "sincere." Kissinger is also expected to meet with Deng Xiaoping and President Yang Shangkun.

Czechoslovakia the next hotspot?

The most likely potential world trouble-spot for the immediate future is Czechoslovakia, a British strategist said in a discussion with *EIR*. He said there is an irreconcilable dilemma in Czechoslovakia, because it is one country where the Soviets are fully backing the hard-line crackdown, at the same time that pressures for social and political change are growing all the time. The fact that Czechoslovakia borders on so many countries, East and West, makes it a likely flash-point for a crisis, although probably short of something that would precipitate a military confrontation.

On Nov. 4, Czech dissident Vaclav Havel warned in interviews given to France's *Le Figaro* and Britain's *Independent*, that a major crisis is about to erupt in Czechoslovakia. He said that the country is like a "pressure cooker" and "nobody knows when it will explode. . . . There is no reason for the government to wait for the crash before starting dialogue with the nation. That would just cause needless suffering."

Hungary in economic emergency

Hungary's Finance Minister Bekesi declared on Nov. 4 that Hungary is at the brink of being unable to meet its foreign exchange payment commitments. Bekesi issued a de-

claration effective Nov. 20, drastically reducing the amount of Western money any Hungarian citizen can acquire in exchange for his forints.

Under the existing law, every Hungarian citizen can purchase up to \$480 equivalent in Western currencies, over three years. The new law sets a maximum per person of \$300 equivalent for four years, thus reducing the amount by more than half.

Another emergency measure, announced yesterday by Prime Minister Miklos Nemeth, provides for wage increases of 16% above inflation for Hungary's 25,000 scientists and research workers, to prevent the current brain drain from turning into a hemorrhage. The Hungarian news agency MTI reported that each year 12% of the R&D workforce have been accepting "job offers from abroad," i.e., from the West.

A bankrupt national economy has now been joined by a bankrupt party, both politically and economically. Of the old Communist Party's 720,000 members, a mere 20,000 have become dues paying members of the new Hungarian Socialist Party, created at the extraordinary party congress on Oct. 6-7. This catastrophe was revealed yesterday in a declaration by the president of the party's financial control commission, citing a party "economic crisis." MTI reported on Nov. 3 that the ruling Hungarian Socialist Party has formally applied to join the Socialist International, and that HSP chairman Rezso Nyers, "has signed a corresponding application."

Mexico to shut down unsold public firms

Mexican Secretary of Energy, Mines, and Industry Fernando Hiriart Valderrama said in the first week of November that "the public companies that aren't sold in the next months will be closed and their workers will be fired according to law." His threat coincides with reported plans of President Carlos Salinas de Gortari to introduce legislation to repeal the existing labor laws and replace them with laws similar to those now in force in the *maquiladora* industries along the U.S.

Briefly

border which are cheap labor, runaway shops. *Maquiladora* laborers earn a very low wage, and it is difficult or impossible for them to form unions.

'Hidden war' against Vietnam

"There is a hidden war" against Vietnam still, British reporter John Pilger wrote in a feature on Vietnam in the British daily *Independent* on Nov. 4. Pilger has recently visited Vietnam. "Having sought to 'bleed Vietnam white on the battlefield of Cambodia,' U.S. policy is now clear in its aim to 'destabilize' Vietnam with American support for the Chinese-backed, and Khmer Rouge-led, 'resistance' and an international embargo which few American allies dare to break," Pilger wrote. "Ten years ago, Thatcher's government cut off powdered milk supplies for starving Vietnamese children. The U.S. still runs a propaganda war against the Vietnamese by attacking them for 'invading' Cambodia; it was actually a defense of their Western border against Pol Pot, aided by China."

Now Vietnam must submit to "free enterprise" subjugation, Pilger wrote: The head of the new Commercial Bank, *laissez-faire* capitalist Dr. Nguyen Xuan Danh, who used to run the Bank of South Vietnam, offers "free enterprise zones" with cheap labor to all foreigners.

In the hospitals, records show that 44% of the pediatric patients are malnourished, and one-third of them die. The U.S. still enforces the Trading with the Enemy Act against Vietnam, forbidding sales of new hospital equipment, medicine, and so on. Many people are near starvation in north and central Vietnam.

Khmer Rouge on the march

Large-scale fighting is continuing in Cambodia as the Khmer Rouge seeks to recapture its former stronghold at Phnom Malai, the *Bangkok Post* reported Nov. 3. At the

same time, the Khmer Rouge has announced that its guerrillas are advancing down Route 10 from Pailin, the border town they took a month ago, toward the provincial capital of Battambang.

The Khmer Rouge also claimed that it has temporarily cut another highway and railway linking Battambang with the national capital, Phnom Penh. The Khmer Rouge says it is coordinating its offensive with the Khmer People's National Liberation Front.

It is also reported in Bangkok that the Cambodian guerrillas trained by Britain's elite Special Air Services are now effectively under the control of the Khmer Rouge. The guerrillas were trained nominally under the auspices of Prince Sihanouk, but reporters for Independent Television Network in London claim that the trained sabotage team is run completely by the Khmer Rouge.

Libya pressures Italy for more aid

Libya's extremely precarious financial situation has been the prime motivation behind its launching of a propaganda campaign against Italy. In an attempt to blackmail Italy into granting more economic assistance, Libya has threatened assertion of its legitimate right to annex Venice, described as a former Libyan town, and has sent several hundred Libyans into Italy on Oct. 26 to demonstrate against the Italian Fascist regime's execution of Libyan prisoners during the war. Libya was probably tied to the murder of an Italian engineer on Oct. 25.

Topping it all off, Libya has requested several hundred million dollars worth of "compensation" for the decades-long occupation of Libya by Italy. Italy did actually pay close to \$10 million of compensation in the 1950s. However, the crisis is hitting a raw nerve since Italy has major investments in Libya, and Tripoli is still one of its main oil suppliers.

The strange turn of events in the last weeks has led to speculation in the Italian press that there may be more to the crisis than a mere Libyan outburst against Italy, with some mentioning a possible involvement, yet undefined, of the CIA in the crisis.

● **ZBIGNIEW BRZEZINSKI**, formerly Jimmy Carter's national security adviser, met in Moscow on Nov. 1 with Soviet foreign ministry spokesman Gennady Gerasimov, as part of a two-week tour.

● **JUAN REBAZA** has been appointed as Peru's new minister of fishing. Rebaza is a founding member, along with Helga Zepp-LaRouche, of the Schiller Institute Labor Commission.

● **WILLY BRANDT**, head of the Socialist International, announced on Nov. 4 that the Socialist International's European branch will send delegation to Moscow in early 1990 as a followup to Brandt's own visit to Moscow in October.

● **NICOLAE CEAUDESCU**, the President of Romania, has sacked his foreign minister and minister of economic planning. According to the *Daily Telegraph*, Ceausescu fired Economic Planning Minister Balan as a scapegoat for Romania's growing economic problems.

● **THE 'BLACK SABBATH'** Satanic rock group received warm praise from the Soviet weekly *New Times*, which said that the group's leader Tony Iommi "is very modest in his everyday life, has no bad habits, and is said to possess quite a few virtues."

● **GRETCHEN SMALL** received major coverage in Mexico City's *El Dia* Nov. 9 for her press conference there on the political imprisonment of her husband, *EIR* Ibero-American editor Dennis Small, with Lyndon LaRouche and five others in the United States. *El Dia* quotes her charge that Amnesty International seems "more interested in defending Colombia drug fighters than fighters for social justice."