

economy. The eastern states of Germany will export agricultural machinery, cranes, and other heavy equipment to modernize the construction industry and the U.S.S.R.'s ports, ships, and perhaps most important of all, modern rolling stock for the U.S.S.R.'s woefully inefficient railway system.

The benefits of this agreement, and others that surely will follow in the course of this year, are not a one-way street confined to the Soviet side. The agreement has come in the nick of time to help Germany at least partially contain a major social-economic crisis, highlighted by mass unemployment and short-work in its new eastern states, a crisis that is becoming ever more explosive (see Report from Bonn, p. 55). For the short term, the only way of maintaining industrial employment stability in eastern Germany is the maintenance and development of the traditional Soviet market for the industrial products of the region, which is only too well known in both Bonn and Moscow. Both desperately need the other to solve the highest priority economic problems in their respective countries.

### **The Baltic question**

The open question is how this mutual dependency will affect Germany's ability and desire to exercise influence on Moscow in its dealing with the Baltic republics. This question will soon become paramount, for the following reasons. The main Soviet crackdown in the Baltic has yet to come. In the second half of February, Moscow will have, from its imperial standpoint, the most favorable "window of opportunity" to heavily escalate its campaign of repression against non-Russian republics. Russia will have the full distraction "benefit" of the Gulf war having moved into the ground war phase.

Coupled with that, the U.S.S.R. Supreme Soviet session that begins Feb. 18 will open what the Soviet media, in a well-constructed psy-ops campaign, are terming a "heated debate" on ratifying the "two plus four" agreement on German unification, and all the bilateral agreements reached on economic cooperation, Soviet troops in Germany, etc., between the U.S.S.R. and Germany.

Russia will try to convince Germany that this "heated debate" is "real," with the "fate of the treaties hanging in the balance," to influence German attitudes toward the coming internal crackdown. Germany must realize that the upcoming "debate" is not real. It is theater, which will run its "dramatic" course, with the end result, whenever, being a "yes" to ratification. German policy, in contrast to the IMF policy of the United States and Britain, is aimed at modernizing the economy of Soviet republics, not destroying them, and is thus a policy in accord with the highest priority of Soviet state interests as enunciated by Pavlov. This gives Germany an enormous potential for positively influencing the domestic course of events in the East, for the mutual benefit of Germany, Russia, the Baltic peoples, and other republics. One hopes Bonn will begin to wisely exercise this potential.

## **Iceland to establish ties with Lithuania**

by Poul Rasmussen

Iceland will most likely become the first country in the world to fully recognize the sovereign Republic of Lithuania. On Feb. 8, the Icelandic Parliament's Foreign Policy Committee unanimously decided to propose to the Alting (Iceland's parliament), that Iceland take concrete steps to establish full diplomatic relations with Lithuania, including an exchange of ambassadors. In addition, the Foreign Policy Committee issued a call to all other members of the NATO alliance to follow the example of Iceland. On Feb. 11, meeting in full session, the Alting's six parties endorsed the government's initiatives and directed the government to start talks with the government of Lithuania, with the purpose of establishing diplomatic relations as soon as possible.

The government of Lithuania sees this courageous move by Iceland as very important in its fight to regain independence from Moscow. Since the declaration of independence in March 1990, Lithuanian President Vytautas Landsbergis has repeatedly called upon the nations of the West to officially recognize the sovereignty of Lithuania by establishing diplomatic relations. So far, neither Washington nor any of the European capitals has answered the call from Vilnius. Unfortunately, most Western governments still view their good relations with Moscow as more important than the freedom of Lithuania and the other two small Baltic nations of Latvia and Estonia.

### **Trade war and KGB harassment**

Although Iceland is a small country, the initiative by the Icelandic government can by no means be dismissed as insignificant. Iceland is a member of the NATO alliance, and any such move by any member country will have a profound effect on broader East-West relations. That is why Moscow reacted very strongly to the early signs from the Icelandic government that such a diplomatic move might be on its way. When Minister for Foreign Affairs Jon Baldvin Hanibalsson visited the Baltic countries at the end of January, Moscow reacted with fury. Referring specifically to Iceland, Moscow issued a warning to the West against any interference into the Baltic situation. But not only that; when Hanibalsson passed through Tallinn, Estonia, on his way to Lithuania, agents from the KGB broke into his hotel room, and stole a briefcase containing official government papers.

When, in the beginning of February, Arne Gunnarsson, a member of the Icelandic Parliament, for the first time publicly suggested that Iceland should extend full diplomatic relations to Lithuania, Moscow again reacted promptly. A strongly worded protest note was handed to the Icelandic government, and Moscow announced that trade relations with Iceland would be "downgraded." The Soviet Union is among the top five trading partners of Iceland. A multimillion-dollar export of Icelandic fish goes to the Soviet Union every year. The Soviets pay well for low-quality fish for industrial use, and almost the entirety of Iceland's exports of herring goes to the Soviet Union. Also, a significant quantity of Icelandic furs and wool is exported to the Soviet Union.

On Feb. 7, the Soviets put action behind their threats and canceled a million-dollar order for Icelandic wool. The next day, all six political parties represented in the Icelandic Parliament's Foreign Policy Committee answered by announcing that diplomatic relations with Lithuania will be established.

### **Iceland fights back**

Why would a small country like Iceland risk a significant portion of its vital exports and national economy in order to support Lithuania, when not even a superpower like the United States has the courage to endanger its "good relations" with the Soviet empire? Part of the answer lies in Iceland's own history. Situated in the middle of the Atlantic, with a population of only 250,000, Iceland knows all too well what it means for a small country to fight for its existence. In the year A.D. 920, Iceland established the first parliament in the world, and the country remained a sovereign nation until 1262. Then, centuries of Norwegian and Danish rule followed until 1944, when Iceland again proclaimed itself a sovereign republic.

But already in 1952, the young republic had to face the first threat to its existence. In a bitter dispute over fishing rights, Iceland came close to war with Great Britain, and the situation repeated itself in 1958, 1972, and 1975. Each time, the tiny Icelandic Coast Guard stood face to face with the mighty naval power of the British Empire. But despite several skirmishes at sea, Iceland was not to be intimidated by threats or force, and the Englishmen had to back down.

When the fanatical Greenpeace organization launched an international campaign against Icelandic fish exports in the late 1980s, Iceland did what other countries had never dared to do to so-called environmental organizations: It went on a furious counterattack. Government officials and journalists effectively exposed Greenpeace's distortion of reality concerning the hunting of whales, and the blatant run for profits behind the Greenpeace campaign to "save" baby seals.

If Washington pleaded with Iceland not to "rock the boat" on the Baltic issue in the midst of "Desert Storm," this may explain why the government turned a deaf ear. Icelandic support for the Baltic freedom fight is genuine.

## **French public opinion deeply shaken by war**

by Jacques Cheminade

A profound change in French public opinion is now taking shape, after four weeks of war in the Persian Gulf.

Before the bombing by the Anglo-American dominated "coalition," which includes French forces, started on Jan. 17, a vast majority in France were declaring themselves anti-war; immediately afterward, out of loyalty to institutions and in the absence of any organized opposition, this majority became pro-war. But now, as the moment of ground war approaches and it is clear that the bombing of Iraq has created tens of thousands of civilian victims, an opposition movement, more determined than at the outset, is reappearing. Nearly 10,000 petitions against the war have so far been circulated, and hundreds of thousands of signatures collected.

Within the ruling Socialist Party, after the courageous declarations of former Foreign Minister Claude Cheysson, who is currently chairman of his group in the European Parliament, the resignation of Defense Minister Jean-Pierre Chevènement touched off an uproar on Jan. 29. Discussions we were able to hold with certain among Chevènement's friends have revealed a total opposition to the Bush administration, and a quite correct comprehension of the reasons that caused the American President to go to war. One of these sources stated that Prime Minister Michel Rocard, in his arguments, was no better than the Americans, because he had justified the idea of going to die for oil. The more and more open anti-war protest has won over much more than just the Chevènement faction; many partisans of Jean-Marie Poperen and of Laurent Fabius, who head two other factions of the Socialists, are now agreeing with the analysis of none other than Palestine Liberation Organization (PLO) president Yasser Arafat.

Arafat, in an interview with the Catholic daily *La Croix*, denounced the "Americans, who are using us as guinea pigs for their newest weapons," and pointed out that "what they are attempting to do today is to build a new Rome." Even parliamentarian Michel Vauzelle, who is close to President François Mitterrand, felt compelled to contradict Pierre Mauroy, who, while on a trip to Israel, let slip that the "PLO had lost its position as representative [of the Palestinians] by