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### WESTERN EUROPE - CANADA - INTERNATIONAL ORGANIZATIONS

This publication is prepared for regional specialists in the Washington community by the Western Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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# Portuguese Communists Warn Again of Rightist Coup Plan

Increasing tension between the government and the Communists has given rise to renewed Communist warnings of a rightist coup, further discussion of a plan to move the government to the north, and, in the Azores, demonstrations protesting "anarchy" on the mainland.

Yesterday, two Communist-dominated Lisbon dailies alleged that a coup would be launched today by prominent anti-Communist officers led by Northern Military Region Commander Pires Veloso. The Communists charged that the commander, upset by the large pro-Communist demonstration on Sunday, decided on a coup to put an end to "this sort of mutiny." The Armed Forces General Staff denied the story and said legal action would be taken against the two newspapers.

Pires Veloso has been a target of the Communists since he was named to replace the pro-Communist former commander in September. Like other prominent members of the present government who have been harshly attacked, Pires Veloso has been particularly zealous in stamping out Communist influence in his command.

Although in this instance the coup rumors appear to be inspired by the Communists to serve their own ends, the possibility of a rightist attempt cannot be ruled out. Leftist strength in the Lisbon area, however, would likely give the rightists pause before undertaking action there at this time.

Discussion of a plan to move the government to Porto continued in the popularly elected constituent assembly yesterday. The plan, first broached last week when Prime Minister Azevedo was prevented from leaving

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his residence for two days by pro-Communist demonstrators, reportedly is favored by the center-left Popular Democrats and Socialists but is seen by the Prime Minister and others as premature. While the constituent assembly, whose job is to draft the new constitution, presumably could move its own proceedings to Porto, it has no authority to decide for the government. One government official has described the plan as "hot air."

Meanwhile, the continuing political uncertainty in Lisbon prompted demonstrations in the Azores on Monday. They were in support of a tough statement issued last weekend by the islands' governing junta decrying what it described as a state of anarchy on the mainland.

The demonstrations Monday were denounced by the Socialists, who have sought to divorce themselves from separatist sentiment in the Azores. There was considerable clamor for independence during the demonstrations, which were well attended on almost all of the islands in an unprecedented show of solidarity.

These demonstrations are a clear signal to Lisbon of the widespread concern in the conservative islands over recent events on the mainland which, if not checked, could advance the independence cause of the Azorean Liberation Front. (CONFIDENTIAL)

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### The EC-Nine and the Arabs Go to Abu Dhabi

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Both Arab and EC leaders hope that their next meeting, which will be at the expert level in Abu Dhabi November 22-27, will show progress toward specific projects of economic and technical cooperation. In a preparatory meeting early this month, Arab League Secretary General Riyad underlined the need for developing cooperative projects which would justify the continuation of the meetings of experts and the pursuit of the dialogue. He thinks proposals of priority interest should be chosen at Abu Dhabi. West German foreign office officials also believe that the central question is how to maintain Arab interest in the dialogue.

The EC is still resisting PLO representation that is identifiable as such within the Arab delegation and resolution of the problem has apparently been postponed once more. Riyad and Italian Foreign Minister Rumor, representing the EC presidency, agreed in Cairo on November 6 to discuss the problems of a higher level meeting and the choice of attending delegates after the Abu Dhabi sessions have been concluded. (CONFIDENTIAL NOFORN)

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# <u>Italian Socialists Main Winners in Scattered</u> <u>Local Elections</u>

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The results of scattered local elections last weekend in Italy will add little to the momentum generated by the Communist Party's electoral success last June nor will they provide solace for the embattled Christian Democrats. The Socialists, however, may receive a slight psychological boost.

The contests—held in 125 small towns comprising less than one percent of the electorate—were of marginal significance, but a sharp increase for the Communists might have contributed to the bandwagon effect they have cultivated since scoring unprecedented gains in nationwide local elections last June. Although the Communists' tally of 29.4 percent of the vote is a marked improvement over their performance in the same towns during the previous elections (1970), it is overshadowed by the fact that the party dropped back from the 33.4 percent it scored in June.

There were no disasters for the Christian Democrats, but their total of 36.9 percent represents a slight drop compared to both 1970 and 1975. The Christian Democrats are pointing out that separate candidacies by party dissidents cut into their vote in several of the larger towns, but the results will still be interpreted as further, if inconclusive, evidence of Christian Democratic decline.

The Socialists will view their 14.4 percent-a substantial increase over both 1970 and 1975-as a good omen. They are hoping to gain at least as much in the 1977 parliamentary race in order

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to reinforce the pivotal position they occupy between the two larger parties.

While both the Socialists and Communists did well in the weekend contests, the miniscule number of voters involved makes it impossible to determine whether the trend toward the left, as revealed in June, is continuing. A more meaningful test will come this spring in another round of local elections that will involve about one-fourth of the electorate and include such key constituencies as Rome, Genoa, and the region of Sicily. (CONFIDENTIAL)

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#### ANNEX

#### Terrorism in Spain

Prince Juan Carlos' most pressing problem after he assumes power will be to satisfy those who are expecting substantial reform and not alienate those who oppose all change. Although compromise is always possible with established political forces, the noquarter tactics of Spain's assorted terrorist groups virtually guarantee that at least some of them will challenge him no matter what policy he pursues.

There are three main currents of Spanish terrorism--regional nationalists, the ultra right, and the extreme left. Each pursues different, at times conflicting, goals. Violence is the only common thread among them.

Since 1968, terrorism has claimed the lives of at least 100 Spaniards, approximately one third of whom were terrorists themselves. More than half the fatalities occurred in the past two years, and, since mid-October, hardly a day has passed without at least one terrorist incident.

#### The Basques

Much of the violence is attributed to a small guerrilla organization called Basque Fatherland and Liberty. Although generally considered Marxist, its principal faction emphasizes nationalism; this faction avoids alliances with other movements. A second faction would prefer an autonomous, Marxist-Leninist Basque state within a Marxist federation of Spanish states. This faction welcomes the collaboration of other groups.

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Basque militants are usually recruited from universities and high schools where they have received a strict Catholic education. The number of militants either underground in Spain or in exile in southern France, does not exceed 500 and may be considerably smaller. Another estimated 700 are in Spanish jails.

Most of the population of the four Basque provinces does not condone violence; not all Basques are forwinced that the militant's goal of independence is desirable. Many would be satisfied with some autonomy, particularly in economic and cultural matters.

The people of two of the Basque provinces, Alava and Navarra, are much less restive than those in the other two. Alava and Navarra have greater administrative privileges and financial independence—their tax earnings, for example, are not sent to Madrid—than any other Spanish provinces. These privileges were a reward bestowed by Franco for help during the civil war.

On November 11 the cabinet ordered the preparation of a new administrative statute for the other Basque provinces.

Although the news was favorably received, another decree authorizing the teaching and use of minority languages provoked resentment. The Basques felt that this action did not give them anything that was not rightfully theirs and were further irked by a clause confirming that Spanish is the country's official language.

Basque nationalism is, in any case, a minority movement in the Basque country. Industrialization of the area during the past two decades has attracted an annual average of 20,000 workers from other parts of Spain. Today, less than half of the 3 million inhabitants of the four provinces are of Basque origin.

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The Basque Nationalist Party is more representative of the Basque population than the Fatherland and Liberty group. The Nationalist Party is cast in a Christian Democratic mold and emphasizes both democratic and Basque traditions. It is the best organized and most experienced political group in the area, and it could play a leading role if Madrid relaxed its ban on expressions of Basque nationalism.

Without further concessions from the central government, however, Basque Fatherland and Liberty is likely to gain in popularity among the young. Its exploits give it an image of "doing something" about the Basque problem, and the harsh repression by the government creates sympathy for its cause.

Similar, but less intense, sentiment in favor of autonomy exists in the four northeastern provinces that make up Catalonia. When the economy of the area prospers, as it has for more than a decade, little serious talk is heard about separatism.

#### The Catalans

Catalans in general appear more attracted to commerce than to politics. Barcelona, for instance, rivals Madrid in size and is Spain's most important industrial and commercial center. Catalan industrialists are reluctant to support movements that might disturb their business in other Spanish provinces.

Catalan political opposition groups are divided and ineffective. Most are led by aging people who have little appeal to the young. The Unified Socialist Part of Catalonia--widely regarded as an affiliate of the Communist Party--has been the most prominent recently. It joined the Communist-dominated Democratic Junta last year and recently demanded the release of all political prisoners and the establishment of provisional governments for both Spain and Catalonia.

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Extremist groups do not operate on a large scale in Catalonia. The best known, Red Flag, has connections with the Communist Party and is active among students and labor organizations.

#### Right and Left

Spain's political outlaws are not confined to the far left. Terrorists are quite strong on the far right.

A group calling itself the Death Commandos has warned 17 prominent Catalans associated with reform groups to leave Spain within 24 hours after Franco's death or face assassination.

The Spanish National Socialist Party--complete with a swastika symbol--has operated in Madrid and Barcelona for a number of years. It reportedly has links with the Spanish security police, who have on occasion enlisted the party's help in handling political disturbances.

The National Socialists specialize in identifying and bombing "Marxist" bookstores and leftist organizations. They once attempted to burn down the palace of the archbishop of Barcelona because of his sympathetic attitude toward workers' grievances.

Another group, the Guerrillas of Christ the King, has gained considerable notoriety because of a vigilante-style campaign against Basque terrorists.

In recent months, the group has executed several Basques in retaliation for terrorist assassinations of Spanish policemen. It has also caused diplomatic problems with France because of raids across the border looking for Basque exiles.

Over the years, the group has been equally hostile toward any group that favored altering Franco's system.

Under Franco, Spanish ultra-right groups have had the advantage of operating as fairly open, quasi-legal entities, tolerated by the regime. Right-wing extremists are interviewed in the press and at least two rightist organizations conduct training camps for urban warfare.

The ultra-rightists have a political arm called New Force. Led by Blas Pinar, prominent in the civil war, the organization denounces any deviation from the principles Franco set out in 1936. It therefore is basically anti-monarchical and presumably will oppose Juan Carlos.

Over the years a variety of far-left anarchical groups have appeared. Most have faded away without having made much impact, victims of internal disputes or government suppression.

The Anti-Fascist and Patriotic Revolutionary Front is an important exception. Organized in 1971 by militants of a Communist splinter group, the organization may now have as many as 500 members. Many of them are in France, but are expected to return to Spain in increasing numbers once Franco departs.

The front has put special emphasis on preparing for intensive and violent revolutionary action when Franco dies. The Spanish security service is aware that this group has made Juan Carlos a primary target for assassination. The front's deep-seated animosity toward the US also poses a threat to American property and US citizens in Spain.

### A Virtual Certainty

Political violence is virtually certain to be a problem for Juan Carlos. If, as seems likely, he allows freer political expression, the far left will not be satisfied while the ultra right will be outraged.

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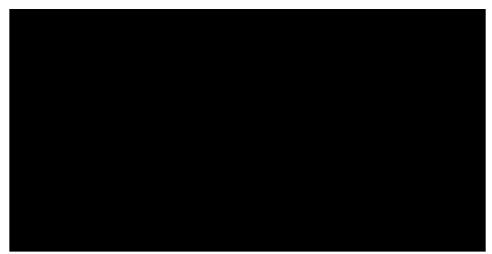
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To the extent that Spanish society becomes more open and more tolerant of dissent, the prospects of the terrorists rallying support will dwindle. With this in mind, Spanish officials may modify the harsh anti-terrorist law now on the books to avoid making martyrs.

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Juan Carlos will very likely still have trouble dealing with terrorism. If the government pursues left-wing fanatics with more vigor than it does the fanatics on the far right, Juan Carlos will be accused of perpetuating the Franco system. If the crackdown is applied in an even-handed manner, Juan Carlos will risk losing the whole-hearted support of a large part of what is now Spanish ruling class. (SECRET NOFORN)





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