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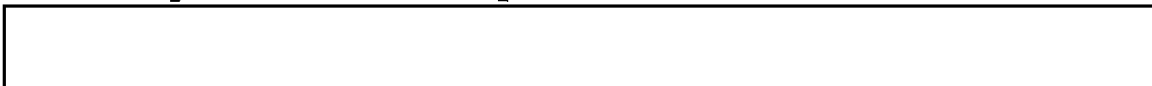


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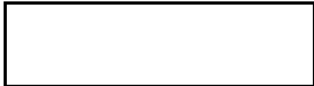


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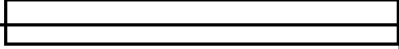



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EC Council Concedes Form but No Substance to EC
Parliament on Budget-Making

The budget committee of the European Parliament took part in the EC Council of budget ministers for the first time on December 3. In what amounted to a review of the EC budget for 1976 on a line by line basis, the parliamentary committee wanted to go as far as possible in restoring the cuts of about \$700 million made under West German impetus earlier this fall. It hoped in any case to take advantage of new treaty provisions that came into effect last year which give the parliament the right to insist on modest increases in certain categories of expenditure.

The Council did not accept any of the committee's suggestions but, in an effort to undercut the rationale for a parliamentary confrontation, proposed the restitution of some \$100 million for development aid, scientific research and the community's social fund.

25X1  this apportionment by the Council of additional funds in the draft budget does not affect the parliament's freedom to make its own modest increases in the budget. Parliament could delay approving the budget indefinitely on these grounds when it meets in Strasbourg on December 15-19, but it is more likely to accept the result of last week's meeting with some small further modification. 


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Speculation About a New Global Foreign Policy For
West Germany

A recent series of visits to "third-world" countries by West German officials, and a background briefing by the Foreign Office, have generated speculation in the West German press that Bonn is changing the focus of its foreign policy to one of global orientation as opposed to its traditional concentration on Europe and the US.

The Foreign Office has admitted that West Germany is placing increased emphasis on the third world, but denied that Bonn's traditional policies will suffer as a result. We believe that Bonn's more active diplomacy in the third world reflects the fact that West Germany has--to a large extent--accomplished its foreign policy objectives vis-a-vis Western and Eastern Europe. In addition, Bonn realizes that it must play a more active role in the third world because the Arab oil embargo and subsequent events made it clear that world-wide economic interdependence is a fact of life.

The spate of recent diplomatic visits are in themselves enough to provide speculation about a changed emphasis in West German foreign policy. In recent weeks, Chancellor Schmidt has visited China and Iran; Foreign Minister Genscher has visited three countries in South America and travelled to Israel; one state secretary in the Foreign Office has travelled throughout Southeast Asia; another toured Central America. In addition, Genscher made an African tour earlier in the year.

A statement from the Foreign Office issued after Genscher returned from South America in late November apparently has provided even further impetus to this speculation.

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The Foreign Office's statement said the North-South dialogue is becoming an increasingly central theme in Bonn's foreign policy. The Foreign Office emphasized, however, that this new attitude in no way implies neglect of West Germany's traditional policies toward Western and Eastern Europe or its efforts toward detente.

Der Spiegel has since printed an article in which it claimed that, while on his trip to Latin America, Genscher "divided the world." The US and Japan were given Asia, while West Germany was described as the "born partner" for the Mediterranean littoral states in Southern Europe, the Middle East and North Africa and for Black Africa and Latin America.

The Foreign Office is disturbed by the way the press has over-played or misinterpreted its statement, and has issued a steady stream of comments downplaying the idea that Bonn has made any fundamental changes.

Genscher on November 30 reiterated that the pillars on which West German foreign policy rest are the EC and NATO. Other Foreign Office officials have denied that West Germany intends to penetrate "US domains" like Latin America.

The new interest in the third world by Bonn is something of a natural phenomenon. In the immediate post-war period and Adenauer era, Bonn's foreign policy objective was to re-integrate West Germany into Western Europe. This goal was achieved. In the post-Adenauer era, first under Chancellor Erhard and then more emphatically under Chancellor Brandt, West Germany's goal was to normalize relations with the USSR and Eastern Europe. This goal has also been largely accomplished.

Thus, it appears quite natural for West Germany to turn its attention to the third world, an area it has heretofore relatively neglected.

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The economic facts of life also help explain why Bonn is looking more toward the third world. West Germany is dependent on Arab oil and its economy is export-oriented. As Genscher explained, policy vis-a-vis the third world involves "political fields (diplomacy) and economic cooperation." And the Foreign Office has stated that the principles of an intensified North-South dialogue are partnership, non-interference and rejection of exploitation.

It appears, therefore, that West Germany will maintain a more active diplomacy toward the third world. In some areas of the world, Bonn will be competing in an economic sense with the US. But, if handled adroitly by the West Germans, their expanding their political horizons may prove to be beneficial for the West.

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