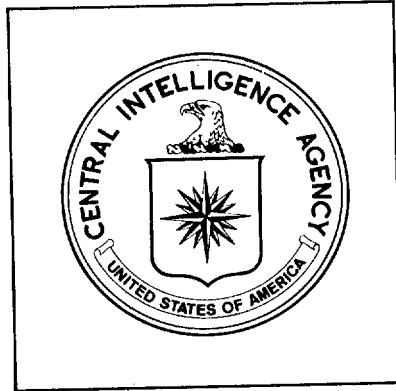


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Western Europe - Canada - International Organizations

STAFF NOTES

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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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Security Council Meets on UK-Iceland Fishing Dispute

The special session of the UN Security Council requested by Iceland to hear its complaint against British actions in the fisheries dispute was low-key and devoid of polemics.

Prior to the Council meeting on December 16, both the UK and Iceland had agreed to limit their approach to a presentation of views. Iceland's UN representative told the Security Council that London's insistence on an excessive annual catch had prevented the resumption of negotiations. He recapitulated the incident at sea on December 11 in which an Icelandic patrol boat was rammed by a British support ship inside Iceland's 12 mile limit.

The UK representative countered with Britain's version of the ramming incident highlighting the firing on Britain's unarmed vessel by the Icelandic boat. He said that the UK's right to fish inside Iceland's unilaterally declared 200-mile zone had been upheld by the International Court of Justice. He concluded by citing London's desire to resume negotiations at any time and at any place.

Iceland's decision not to seek a Security Council resolution condemning the ramming incident as a violation of Icelandic sovereignty was the result of some behind-the-scenes diplomacy by the UK. Britain successfully persuaded most of the Security Council members, as well as the Nordic countries, to urge Iceland to merely list its position in the fishing dispute before the Security Council.

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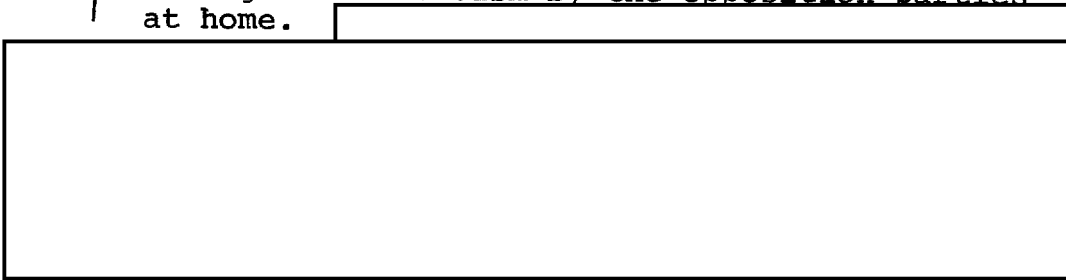
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Iceland's desire not to antagonize the US probably influenced the decision to make a low-key approach to the UN. Reykjavik is aware that US influence on London may be essential to an eventual cod war settlement. At the same time, the Icelandic government felt compelled to state its case at the UN or face an almost certain barrage of criticism by the opposition parties at home.



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French Left Sets Nationwide Protests for December 18th

The French left opposition parties and the two leftist trade union confederations--the country's largest--have scheduled nationwide protest marches tomorrow. The action is directed against the government's economic and social programs and its policy on unrest in the military.

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Similar marches earlier this month in Paris and major provincial cities drew only 2-5,000 marchers. The leftist protest will pick up an added appearance of effectiveness tomorrow however, from a concurrent, but unrelated, 24-hour strike by white collar workers that could close or disrupt many offices and services.

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Formal strikes have not been called by the leftist organizations, but stoppages may occur in some sectors where the demonstrations are not set outside working hours. The left is being cautious about calling for strikes because the workers have been more inclined to heed concerns about endangering their jobs than exhortations for strike actions.

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Even the joint call for action was accompanied by further revelations of the deep divisions that plague the left. The small radical Socialist Union Party walked out of the protest organization meeting when the other participants refused to issue a statement of support for the party. Socialist Union members and officers have been detained and their offices searched because of the party's alleged activity in attempting to organize unions within the military.

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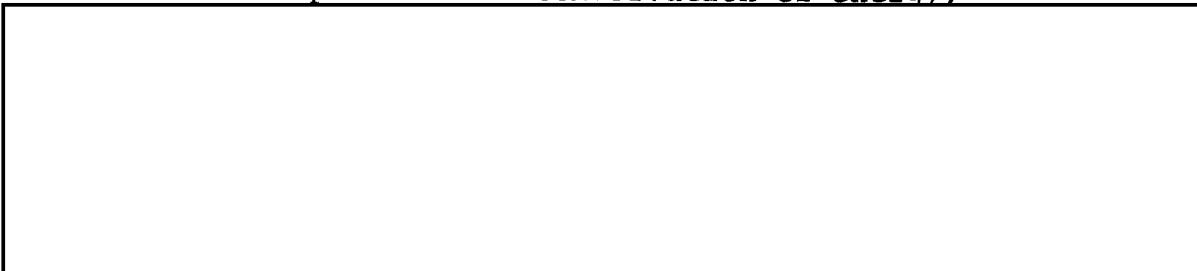
IEA Meets to Consider Long-Term Cooperation Agreement

The International Energy Agency, comprising 18 industrialized consumer nations, will hold a meeting in Paris on Friday to consider, and possibly approve provisionally, a long-term cooperation program designed to help reduce its members dependence on imported oil. The program is an element in the defense the industrialized states are trying to mount against arbitrary oil-price increases and embargos. As such, the program could form the foundation of the industrialized countries' position in the energy commission established by the Conference on International Economic Cooperation in Paris this week.

Last year the energy agency agreed to an emergency oil-sharing program in an effort to insulate its members from the effects of another oil embargo and to convince Arab oil exporters of the futility of another attempt. Since then, the members have made significant progress in such areas as planning energy research and development, and an information-sharing system that permits member states to keep a close eye on changes in oil markets. The terms of the cooperation agreement were to have been settled last July but the delicate balancing of responsibilities and benefits has delayed agreement until now, and may yet delay final approval another six months.

The program calls for coordinated national efforts and cooperative programs designed to:

--promote the conservation of energy;



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- accelerate the development of alternatives to imported energy through specific projects and a mechanism to safeguard investments in these projects;
- encourage technology for the more efficient use and production of energy; and
- the elimination of barriers among member states which would impede the realization of the program's goals.

The most serious objections to the cooperation agreement were at first directed against the provision to safeguard investments in alternative energy sources. The reservations came mostly from those states with little or no indigenous energy sources. They are reluctant to establish, for example, a guaranteed price for oil, when oil might conceivably be offered at lower prices in the event of a collapse of the present oil market. Progress on this issue was made earlier this month when the UK obtained an agreement in principle from its EC partners to the concept of safeguarding investments. France--the only EC member not in the energy agency--nevertheless, has not agreed to the details of the plan and the EC partners may seek to delay final approval of the energy agency's program until Paris is firmly committed to an EC policy.

Another obstacle to agreement on Friday comes from Canadian and Norwegian reservations to a commitment not to discriminate against other members of the energy agency in the sale of energy or in the opportunity to invest in energy projects. Ottawa says that it cannot allow the unrestricted export of oil from Western Canada when Eastern Canada must import expensive oil from the Middle East and Venezuela. Oslo's problem appears less justified than the Canadian objection and is rooted in the politically sensitive issue of

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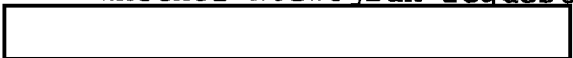
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control over Norway's oil reserves. Norway has already been granted an exemption from the provisions of the emergency oil-sharing program and many of the energy agency's members are showing little patience for another Norwegian request for exceptional treatment.



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