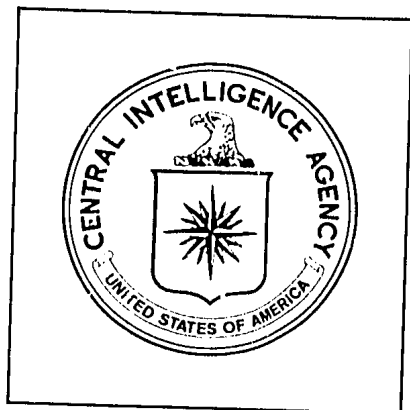


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# STAFF NOTES:

## **Western Europe Canada International Organizations**

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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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EC Developing Ties to Latin America

The possibility of strengthening Latin America's economic and political ties with the EC will be a principal topic at the sixth meeting between EC officials and the Latin American ambassadors in Brussels later this month.

The Latin Americans have some problems with the EC, and these also will be raised. Their main concern is that trade preferences granted by the EC to 46 developing African, Caribbean, and Pacific states under the Lomé Convention will hinder Latin American access to EC markets. They want the EC to extend preferential arrangements to Latin America in order to reduce their trade dependence on the US and to improve their balance of payments.

Several Caribbean states signed the Lomé Convention, and they are showing little concern for the Latin American complaints. Other countries, notably Mexico, Brazil, Uruguay, and Argentina are tending to ignore the interests of other Latin Americans in pursuit of individual deals for themselves.

Mexico is negotiating a five-year non-preferential trade agreement with the EC. The Community would like to conclude this agreement because Mexico will have an influential role among developing countries at the international discussions on raw materials later this year.



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An accord to enter into force next January is, in fact, likely early this summer.

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The EC will use the Mexican model when it re-negotiates its non-preferential accords with Brazil, Argentina, and Uruguay. The EC will be looking for increased protection for investments and improved access to raw materials. The Latin Americans want to borrow more from the EC. They are also seeking more direct investment by West European firms and liberalization of the Community's beef import policy.

The EC is increasing technical assistance to the six members of the Andean Pact--Peru, Chile, Bolivia, Ecuador, Colombia, and Venezuela. Community officials have ruled out the possibility of a preferential agreement, but are encouraging the formation of a permanent joint committee to facilitate the development of stronger economic and political ties.

The Brussels meeting is viewed by several Latin American states, Brazil in particular, as a potential step toward improved political relations with Western Europe. The EC is Brazil's most rapidly expanding export market, and Brasilia hopes that broader consultations will bring better opportunities to prevent anticipated protectionist moves by the EC in textiles, beef, and other products.

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Euro-Arab Dialogue Moves Ahead

EC and Arab League experts hold their first meeting in Cairo on Tuesday to open the substantive part of the EC-Arab dialogue that France initiated in January 1974.

The EC Nine are pushing for a "no-nonsense dialogue" that would avoid political controversy. They have proposed to begin with the immediate creation of five groups of experts that would study prospects for joint cooperation on agriculture and food; industrial infrastructure and peaceful uses of atomic energy; financial, commercial, and trade cooperation; social aspects and labor; and cultural, scientific, and technical cooperation.

Some of the Arab participants would prefer to devote considerable time to general debate in a plenary session, which would probably include a discussion of the Palestinian issue.

A principle factor in delaying the talks until now has been the disagreement over the role of the Palestine Liberation Organization in the talks. A compromise has been reached which calls for both EC and Arab delegations of technical experts who will not be specifically identified as to nationality. The Arabs threatened to seek a further postponement because of the signature of a new EC-Israeli trade agreement on May 11 but this threat appears to have evaporated.




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Portuguese Wind Blowing on the French Left Alliance

Events in Portugal are placing new strains on relations between French Communists and Socialists.

The closure of the Portuguese Socialist newspaper Republica after a dispute with its Communist-dominated printers union over the publication of anti-Communist articles, has highlighted the basic differences between the two French parties on the touchy issues of freedom of the press and democratic procedures. French Socialist leader Francois Mitterrand has publicly supported the position of Portuguese Socialist leader Mario Soares and castigated the Portuguese Communist Party for its role in the Republica affair. He was careful, however, to first secure a promise from Soares that his party would not break all relations with the Portuguese Communists. He is afraid that such a break could set a trend that would erode Socialist-Communist cooperation elsewhere in Europe, including France.

The French Communists claim the Republica incident is simply a trade union problem and their leader, Georges Marchais, dismissed it as "nothing but wind." Marchais bitterly accused the French Socialists of hypocrisy for supporting what he termed the anti-Communist stand of Soares. The French Communist newspaper, L'Humanite, further charged that Mitterrand's support of Soares had provided the ammunition for Prime Minister Chirac's attack on Marchais last weekend. Chirac, speaking at a Gaullist Party meeting, denounced Marchais for approving of the "murder" of Republica,

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and called him one of the worst enemies of freedom. In a blunt warning, Marchais said that the Socialist attitude raises doubts about the utility of talks, scheduled later this month, between leaders of the two French parties.

The French Socialists, too, may be having second thoughts about the proposed summit of the Left Alliance. An editorial in the Socialist weekly, L'Unite, states categorically "there cannot be one truth in Paris and another in Lisbon, one cannot espouse pluralism here and contest it there." Mitterrand observed that the French Communists, in their unconditional support for the Portuguese Communists, have gone even further than the Soviets who recently expressed reservations to Mitterrand about Alvaro Cunhal. French Socialists are comparing the intransigent position of the French Communists to that of Italian, Yugoslavian, Romanian and Spanish Communists who have all supported Soares to some degree. Mitterrand's Socialists are also disturbed by the recent election of Jean Kanapa to the French Communist Politburo. Kanapa, a foreign policy specialist, is considered one of the most pro-Soviet hardliners in the French party.

The top-level meeting of the French left was first proposed in early May by Socialist leader Mitterrand to discuss three topics: the international "crisis of capitalism," the EC and European unity, and defense. The idea of the meeting was to mend fences and demonstrate that the Left Alliance is intact after a long winter of Communist polemics against the Socialists.

The Communist Party Central Committee, at a meeting on 27 May, accepted the invitation, although no date was announced. Marchais took the opportunity to express disagreement with known Socialist views on all three points and added a controversial fourth issue: the "defense

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and advancement of liberty." The latter point in particular has been jeopardized by the controversy over Republica.

Another divisive and potentially explosive proposal that will be made by the Communists if the summit is held is that of obligatory first round electoral alliances for all major municipal elections. This runs counter to Mitterrand's wish to reserve the possibility of putting forward party candidates in the first round--a desire that was undoubtedly strengthened by the municipal by-election at Quimper two weeks ago in which a Gaullist defeated in the first round a Socialist running as the Left Alliance candidate. The next nationwide municipal elections are scheduled for 1977.

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Madrid Proposes Spanish Sahara Negotiations

A Spanish Foreign Ministry official has indicated that his government informed Morocco, Mauritania, and Algeria this week that it would soon invite them formally to a four-party international conference to discuss the future of Spanish Sahara.

In the recent past Rabat has objected to Algerian participation in negotiations to settle the disposition of the territory, but we believe Morocco will acquiesce to prevent an early Spanish withdrawal--a possibility raised in a statement issued by Madrid last month.

According to the official, if one or more of the parties reject the invitation, Spain then plans to request UN Secretary General Waldheim to convoke such a conference under his own auspices. Waldheim's announced visit to all four countries next week may lay the groundwork for such a conference.

The official stated that if a conference cannot be successfully convoked even under UN auspices, Spain's "hands will be clean" as it will have made an honest effort to seek a solution among the interested parties. The next step then would be up to the UN.

The official stressed Spain's willingness to consider any possible solution--not excluding annexation or partition--that the interested parties may propose. He insisted that Madrid

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is not committed to the creation of an independent state or to surrender sovereignty to any particular Saharan political force.

A mutually acceptable political solution will be difficult to achieve and require compromise by all sides. Algiers opposes Moroccan annexation of all the territory just as Rabat will reject an agreement that permits Spanish Sahara to become independent. Both Morocco and Mauritania fear a hasty Spanish withdrawal before a political settlement can be negotiated.

For the present, the Algerians seem unconcerned about Moroccan pressure tactics. They would like to see Spain withdraw leaving an established government in place, presumably the pro-independence party in the Sahara that they are publicly supporting. They have the capability to exert pressure on Morocco by enlisting international diplomatic support for granting Spanish Sahara independence or by supporting subversive activity by Moroccan dissidents residing in Algeria.

Mauritania, for its part, seeks a partition of the region with Morocco and claims to have reached agreement with Rabat. It accepts Algeria as an interested party, but gives it secondary role because Algiers has no territorial claim. In any negotiations Nouakchott will argue that partition is the most viable compromise solution.

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Spanish Government Reacts to Increasing Basque  
Terrorism

Madrid's handling of the upsurge of violence in Spain's Basque provinces reflects rightist demands for continued stringent controls. The tough measures may also arise from Prime Minister Arias' desire to show that his government is able to deal effectively with public disorder.

The two death sentences meted out this week in the trial of seven alleged members of the terrorist organization Basque Fatherland and Liberty are intended to set an example. The police have been deployed in force in the Basque provinces, and there are rumors of a government-imposed curfew.

Rightwing extremists are circulating leaflets calling on the government to provide arms to private citizens. Despite public statements that it deplores violence from any source, the government's failure to crack down on the right seems to imply government approval of rightwing vigilante activities against Basque sympathizers.

The situation is tense and ominous, according to the American consul in Bilbao. Opponents of the state of emergency imposed in the Basque area--which permits harsher measures by the police--have planned a general strike and demonstration for June 11 that may lead to confrontation with security forces.

The commanding general in Catalonia--the other dissident region in Spain--has echoed the support expressed earlier by the Basque area commander that the army stands behind the police and is the ultimate guarantor of order.

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The minister of justice, however, has tried to sound a moderate note. He said the government will establish a commission to investigate the reasons for Basque subversion and the existence of any "valid points" in the problem.

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