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Prospects for Progress in Cypriot Talks Dim

Greek and Turkish Cypriot leaders have indicated their readiness to hold a third round of intercommunal talks in Vienna on Thursday but the prospects for progress are dim.

Greek Cypriot negotiator Clerides has already rejected Turkish Cypriot negotiator Denktash's proposals for a joint provisional government that were made public last Saturday. Clerides, with the backing of both Athens and Archbishop Makarios, claimed that the proposals were aimed at abolishing the government of Cyprus and pre-judged a final settlement by their allusion to a bi-regional federation and equal representation of the two communities in the provisional government.

Denktash claimed that his proposals, which called for control by the provisional central government of foreign affairs, finance, communications and health, could build mutual confidence and trust between the two communities. 25X1

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Another setback to the negotiations is likely to occur should Denktash implement a threat he made on Sunday to resume the mass expulsion of Greek Cypriots from the north if his kinsmen in the south are not allowed to leave the Greek Cypriot zone.

According to the US embassy in Nicosia, Makarios is not likely to yield to Denktash's demand. The expulsion of Greek Cypriots would

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further tarnish Turkey's international image and advance the internationalization of the Cyprus problem which Makarios is intent on doing if there is no progress in Vienna.

Any progress will now hinge on the nature of the Turkish proposals for a Cypriot central government that will be presented prior to or in the course of the Vienna talks.

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European Court May "Try" Three EC Members

The EC Commission has advised France, Belgium and Germany that they have violated the Rome Treaty by signing the proposed UN convention to regulate liner shipping that spells out how signatories would share shipping cargo between developed and developing countries. Although efforts will presumably be made to avoid recourse to the community's Court of Justice, this is the direction in which the matter is now heading. A court case would be a major test of member-states sovereignty versus community authority.

The Commission's action has been expected. The three members, at a Council meeting late last month, reiterated their intention to sign now despite strenuous UK objections and the fact that the EC is trying to work out a common policy on possible eventual ratification of the code. Paris, Brussels and Bonn are expected to respond to the charges after the August vacation period and the EC Commission will probably then follow through on its earlier warning to turn the controversy over to the European Court for decision.

The Court would have to decide if the members have violated specific treaty provisions against trade discrimination and restrictions on the freedom of member-state firms to operate under equal conditions within the EC. A separate question for the Court is whether the signatories have infringed the EC treaty provision that "member states shall, in respect of all matters of particular interest to the Common Market, proceed within the framework of international organizations of an economic character only by common action."

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The legal procedures which must be followed are very slow and a decision by the Court would probably not be forthcoming for many months after the matter is submitted for adjudication. Nevertheless, should the Court decide in favor of the Commission, this would represent a milestone in the development of the EC. Such a ruling would reaffirm a strict circumscription by the community of the member states' sovereignty with regard to international economic agreements.

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Bonn Moves Toward Closer African Ties

Bonn has recently underscored its desire to strengthen ties with black African states by sending Foreign Minister Genscher and Minister of State Wischnewski on well-publicized visits to a number of these countries. Genscher's visit to Liberia, Ghana, Zambia, and Malawi coincided with the Wischnewski mission to seven OPEC and developing countries, including Zaire and Algeria.

Both visits demonstrate Bonn's desire to improve North-South relations and to reach cooperative agreements on raw materials policies. Capital aid and technical assistance agreements were signed with Ghana, Mali, Mauritania, Senegal, and Zaire. The Germans received no assurances, however, of African support for Bonn's opposition to commodity indexation schemes.

Figuring prominently in the discussions was German policy toward the white-ruled states of southern Africa. Black African leaders pressed Bonn to use its economic leverage to bring about social and political change in the region.

Genscher's travels may shore up his standing in the government. Earlier, the German press was fond of suggesting that the importance in policy-making of Genscher, who is also chairman of the coalition Free Democrats, has been diminished by Chancellor Schmidt's activity and most recently by former chancellor Brandt's well-publicized trip to Moscow. Nevertheless, Genscher's self-confidence in foreign affairs is increasing; he has been in the forefront of the Free Democratic push to influence EC policy, and this trip is likely to reinforce that trend.

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CSCE Summit Set After Long Negotiating Session

Negotiators at the European security conference reached agreement on military confidence-building measures and several other issues early Saturday morning following a marathon negotiating session. The agreements made it possible for them to announce July 30 as the opening date for a three-day summit in Helsinki, involving 35 heads of government who will sign the declaration adopted at the conference.

Agreement on confidence-building measures was reached after the Turks, pressed by their NATO allies, dropped many of their demands for special treatment. The Turks agreed to give advance notification of maneuvers within a 250-kilometer zone along their borders after a compromise was worked out--to which Cyprus objected strongly--stating that notification need not be given in areas "contiguous to" borders with non-participating states, thus exempting eastern and southern Turkey.

The Soviets held out until the last hour for a mention of the "irreversibility of detente" in the final document, but finally agreed to a formulation substituting the words "make continuing and lasting" for "irreversibility." The Soviets also tacitly agreed to allow Italian Prime Minister Moro to sign the declaration twice--on behalf of the EC as well as Italy.

In Helsinki, preparations for the summit are proceeding at a hectic pace. The Finns expect 900 delegates and thousands of support personnel. They have begun elaborate security preparations.

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The order of speakers was determined by lot in Geneva; a time limit of 20 minutes has been placed on each speaker. British Prime Minister Wilson will be the first to address the conference; General Secretary Brezhnev will be thirteenth; and President Ford will be twenty-sixth.

The NATO allies may consider later this week whether there is any substance to tentative indications that Moscow may follow the security conference with renewed emphasis on disarmament negotiations. A ranking French foreign ministry official has told the US embassy in Paris that his government expects Moscow to promote a world disarmament conference and to begin pushing for European regional disarmament negotiations broader in scope than the force reductions talks in Vienna.

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MBFR Talks Muddle Along

The force reduction talks in Vienna have adjourned until September, with a twenty-month deadlock left unbroken. Once the European security conference has been concluded, Western representatives hope that some progress can be made in the next round by the introduction of Option III--the West's nuclear proposal. The nuclear proposal calls for the withdrawal of some US nuclear warheads and delivery systems in Western Europe in return for a reduction of Soviet armored forces in Eastern Europe.

Little new ground was broken during the most recent session of the talks. The West continued to press the East to accept a reduction in Soviet ground forces and a common ceiling for both Warsaw Pact and NATO ground forces in Central Europe. The Soviets continued to criticize the asymmetrical approach advocated by the West, and demanded that the scope of the negotiations be broadened to include reductions of air and nuclear forces. They also continued to insist that the West European participants accept limitations on their forces from the outset.

The Western negotiators pressed the East to exchange data concerning their forces, but the East agreed only to discuss how these forces should be defined in order to distinguish ground from air forces. No agreement was reached on definitions. The West also presented a revised proposal intended to protect the security of the so-called flank states--Turkey, Italy, Denmark and Norway--but the Soviet reaction to this was predictably cool.

The real focus of Western activity was at NATO headquarters in Brussels, where the Allies had thorough discussions of the nuclear option. Their talks centered on:

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--anticipated demands by the Warsaw Pact for restraints on US tanks and European armaments,

--the timing and extent of a possible second phase of reductions involving European manpower and armaments,

--NATO demands for a Soviet commitment in the first phase of reductions to an "illustrative common ceiling" of 700,000 men,

--the possible inclusion of air as well as ground forces in discussions of manpower reductions and a common ceiling, and

--the extent to which these proposals should be linked together and the appropriate time to introduce each in Vienna.

Some of the allies, particularly the UK and West Germany, are extremely sensitive to any proposals involving limitations on Allied weaponry. Bonn might accept some restraints on manpower but has virtually ruled out any limitations on West German armaments.

The UK is insisting that the West require a Soviet commitment to a specifically enumerated common ceiling in the first phase. They are also dubious that current plans to replace UK aircraft can be accommodated under Option III. Negotiations in Brussels are expected to continue throughout this month and possibly August.

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