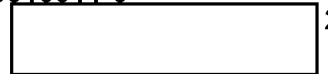




**National
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Western Europe Review

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WESTERN EUROPE REVIEW

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The French Socialists: The Succession Struggle

The struggle for leadership of the Socialist Party, which began in earnest last March with the defeat of the left in the legislative election, has taken on a new intensity in recent weeks with the emergence of what the press has dubbed the "Rocard phenomenon." Polls unexpectedly have shown that 48-year-old economist Michel Rocard may be a more attractive leftist presidential candidate in 1981 than Socialist leader Francois Mitterrand--although both would be defeated by President Giscard if the elections were held now. More important, Rocard equals or has a slight edge over Mitterrand in popularity among the electorate as a whole, as well as among Socialist voters. At stake in the succession struggle is not only the leadership of what is potentially France's largest party but also a new political equation for the post-1981 period.

The Socialist Party has changed in some important ways since the March elections. Mitterrand still rules, but both his style and his authority, so long unchallenged, are now being questioned. Mitterrand can no longer claim to be indispensable, for the Socialists showed strong gains in recent by-elections at a time when Mitterrand's personal popularity had fallen sharply. Yet the Socialist first secretary remains popular among party militants, has no intention of giving up the party leadership, and still clearly believes that only he can best unify and incarnate the entire left.

There has been a revision and relative "democratization" of party statutes recently--certainly not as much as Rocard would have liked but more than the Mitterrandists would wish. Leadership posts in the party are now elective rather than appointive, which means that a beginning has been made at undercutting the Mitterrandists' domination of party organization. The delegates to the party directing committee, the party's key leadership body, will, however, be delegates of the officially

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Mitterrand and Rocard. The rose and the fist are symbols of the Socialist Party.

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recognized party factions--the uneasy Mauroy-Mitterrand-Rocard majority and the left-wing CERES minority--which will assure the continuing domination of party chiefs. Although Rocard may have the support of as many as 25 percent of the party members, he controls only one of the 95 federations--his own. CERES can count on 24.2 percent of party votes, but this is not a solid anti-Rocard bloc for a minority of this group now appears to lean toward Rocard.

Although Rocard is also disliked by the Communist leadership, which endlessly accuses him of plotting right-wing deviationism, a majority of Communist voters have a favorable opinion of him. Sixty-nine percent believe that the Socialist Party under his direction would either take the same tack or move more to the left. Rocard's image as a Socialist, longtime leftist militant and modern reformist-technocrat is solid among the voters. That he has managed so far to reassure center-right voters without antagonizing Communist voters is quite an accomplishment, attributed by his detractors to a deliberate ideological fuzziness.

An opposition led by Rocard would be less dogmatic and probably more pragmatic and innovative. Rocard, however, would be equally unlikely to take the party into an alliance with the center-right, for all party factions agree on a strategy of autonomy, aimed at an eventual Socialist/Communist coalition. (Rocard is quieter on this issue than the Mitterrandists, who continue to assert that the Communists will eventually be forced to cooperate with a strong Socialist Party or sink into oblivion.) In the meantime, the Socialists will continue to honor the traditional ground rules of left unity in electoral contests and expect the Communists to do the same. Autonomy for now excludes collaboration with Giscard's governing coalition, but a stronger Socialist Party could probably accept the support of those elements of the coalition that might eventually rally to a revised Socialist program.

The party's presidential candidate will be designated by vote by the approximately 200,000 party members, probably in late 1979. If no candidate obtains an absolute majority, the party congress will choose the candidate. In the meantime, the battle for control of the party and

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its organization has begun, as factions--and factions within factions--jockey for position. Pierre Mauroy, the comparatively obscure number two man of the party, holds major cards.* Neither of the two presidential hopefuls can do without his support, yet his support has not been given fully to either but is conditioned upon the issues involved. Although most of Mauroy's lieutenants lean towards Rocard, Mauroy has probably not decided whom to back and will probably not make a decision until his hand is forced.

The pro-Mitterrand forces have been comforting themselves with the analysis that Rocard has made his presidential ambitions known too early and that he will burn himself out before 1981. All factions of the party have been counseling the militants to devote themselves to preparing a Socialist manifesto to be voted on at a party convention in February and mobilizing for the cantonal and European elections in March and June 1979. As head of the Socialist list for the European Parliament, Mitterrand will be able to take full credit for what could be a very good Socialist showing; just drawing up the list gives him considerable clout in party councils. The onset of the cantonals and the European Parliament elections will also place a premium on maintaining at least a facade of party unity and conflicting personal ambitions are likely to be kept below the surface.

Yet with all his advantages, Mitterrand has obvious problems: he will be 65 in 1981 and making his third try at the presidency. It is unlikely that he would seek or get his party's nomination a fourth time, should he once again fail, as he is likely to do and in a political system dominated by an elected and powerful presidency, a party leader who is not a presidential candidate has a hard time holding on. Rocard, on the other hand, more reassuring and less compromised by the alliance with the Communists, could lose in 1981 and still run strong in the next presidential election against a candidate like Gaullist leader Jacques Chirac.

*Mauroy's federation, the second largest, had 47 delegates and 466 votes at the party congress out of a total of 688 delegates and 5,914 votes. Mauroy supporters are also strongly embedded in the party structure.

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The relative decline of the Communist and the labor unions they dominate, a new nonpartisan spirit in some of the other unions, the decline in Mitterrand's popularity, and an emerging tendency to question ideologies appear to be in Rocard's favor, but he will have an uphill battle against a Mitterrand tenaciously clinging to power.

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UK: Callaghan Government Survives Test of Confidence

The test of confidence Prime Minister Callaghan's minority Labor government won last week should improve its chances of surviving through the winter. Although the Conservatives will continue to press issues on which the government is most vulnerable, the Tories will be preoccupied for the next few weeks with recovering from recent instances of internal party dissension that have thrown the party off balance. A greater threat to the government will come from potentially divisive wage negotiations with the trade unions and from the possibility of an economic slowdown.

Party discipline held for the Conservative and Labor parties during the vote on the Queen's Speech, so the future of Callaghan's fragile parliamentary support rested with the sometimes unpredictable minor parties. The Liberals, as expected, voted with the Conservatives against the government, but the unexpected threat of defections by the Scottish and Welsh Nationalists and Ulster Unionists indicated that the outcome would be very close. Abstentions, coupled with some support from the three small parties, ensured the government's survival by a scant 12 votes and forestalled a general election.

Callaghan's legislative package for this session has been designed deliberately to placate the minor parties and minimize controversial debate that could lead to confidence votes. This tactic will not ensure the government's survival, but it will provide the Tories with fewer opportunities to try to bring the government down. Still, the Conservatives will continue to look for any issue that could lead to a loss of confidence in the government and, given Callaghan's precarious support in Parliament, they may succeed. The Tories, among a broader public audience, are likely to concentrate their attacks outside Parliament, primarily on the government's economic policies. Party leaders hope this will help the Conservatives regain their lead over Labor in the

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public opinion polls. The Tories, who recently lost two parliamentary by-elections, suffered a sharp decline in the public opinion polls in October.

The Conservatives will be preoccupied during coming weeks with clarifying party positions on pay policy and Rhodesia. Many Tory leaders still feel that former Prime Minister Heath's virtual endorsement of the government's pay policy at the Conservative Party's annual conference last month damaged party unity and undercut Tory hopes of attracting trade union support.

A bitter split within the Conservative Party over policy on Rhodesia recently led more than 100 Tories--from both front and back benches--to vote against the continuation of economic sanctions against Rhodesia in defiance of party policy to abstain. Although the government's legislation to continue sanctions was never threatened, the rebellion within Conservative ranks, which is likely to surface again, has led party leader Thatcher to reshuffle the shadow cabinet.

The strongest test for the government will come from efforts to maintain economic growth and to enforce its controversial policy of limiting wage increases to an average of 5 percent. An increase in the inflation or unemployment rates could severely weaken the government's maneuverability in scheduling a general election. The pay policy has not yet received a major test, but strikes by several important unions are now in progress and more are expected. Talks between the government and the Trades Union Congress aimed at ironing out differences over the pay policy--even if successful--may have very little effect on individual unions.

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NATO: Consultations on the French Call for a European Disarmament Conference

The North Atlantic Council held important, unpublicized consultations last Thursday on the French call for a European disarmament conference, the centerpiece of the multifacet disarmament initiative announced by the Elysee in January. The lengthy session produced no consensus on the merits of the proposal, which the French have tempered somewhat in an effort to obtain broader support within the Alliance. The Soviets remain generally unenthusiastic about the idea but have not foreclosed the possibility of accepting it in some form.

While all of the Allies welcomed Paris' increased interest in arms control negotiations, a number of them joined the United States in expressing misgivings about the European disarmament conference proposal, particularly its relationship to the East-West force reductions talks in Vienna and to the periodic reviews of compliance with the Helsinki agreement signed in 1975. The French, who do not participate in the Vienna negotiations, claim that a growing imbalance in conventional weapons and equipment is not being addressed there and maintain that effective disarmament agreements must cover a larger area than Central Europe. They also assert that the disarmament conference must be held outside the Helsinki framework in order to avoid disturbing the "delicate balance" of the latter.

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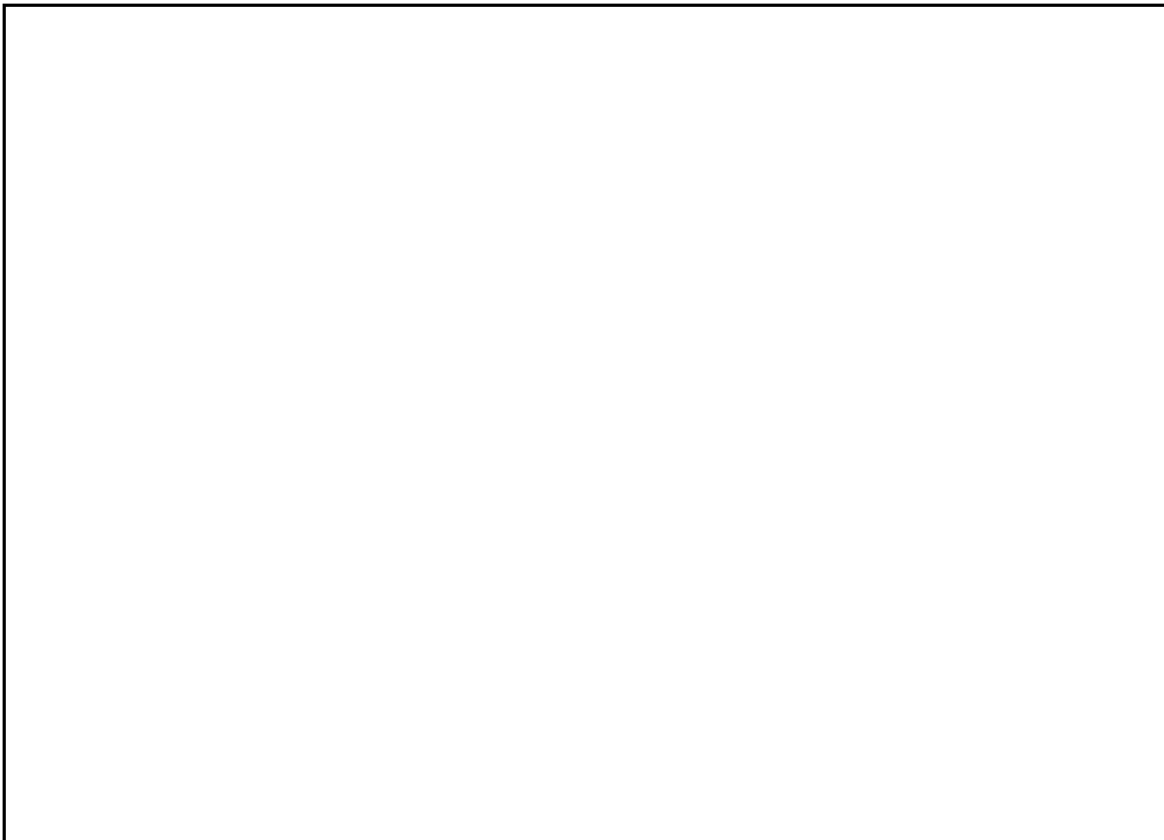
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Although the French have publicly asserted that Soviet Foreign Minister Gromyko had "shown interest" in the conference idea when he visited Paris late last month, they have privately admitted that Gromyko reiterated the Soviets' reluctance to accept the broader geographic area Paris has in mind and their wariness about the impact on the negotiations in Vienna. Gromyko suggested again, however, that Moscow might be more favorably inclined to attend a conference if nuclear weapons, specifically US forward-based systems, were a conference topic.

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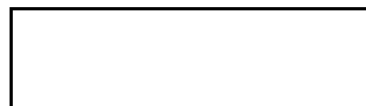
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EC-ASEAN Ministerial Meeting

The EC and ASEAN will hold their first ministerial-level meeting in Brussels on 20-21 November. The meeting will probably produce a joint "Declaration of Principles" aimed at facilitating region-to-region development aid, business investment, and trade promotion. Consultation procedures for settling trade disputes may also be established, but the meeting will probably be remembered for its symbolic value rather than its concrete achievements.

This latest round of negotiations is another example of the EC cautiously moving further afield in its external relations. The EC has come to look upon ASEAN as a potentially significant force in Asia in political as well as economic and commercial terms, and next week's ASEAN exchange can be seen as a complement to the Community's longstanding economic links with Japan and recent overtures toward China. ASEAN also offers a secure source of raw materials and a small but growing market for European products.

For ASEAN, the meeting with the EC is part of a series of dialogues it has initiated with the major industrialized nations during the past three years. ASEAN ultimately wants recognition as the organization in Southeast Asia that, through integration, will give impetus to the development process and thus help bring non-Communist stability to the region. It is precisely this sort of political commitment that the EC wishes to avoid at this meeting. ASEAN wants to be recognized and treated as an equal partner by the major industrialized nations in terms of trade, investment, and industrial diversification and development. In particular, they want more economic and political contact with the EC to balance the overwhelming presence of Japan and the US in their economic affairs. ASEAN leaders see the EC as an important source of technological and developmental aid as well as a potential market.

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There are varying levels of enthusiasm for closer ties with ASEAN within the EC. West Germany has been the primary force behind the new West European initiative and has come to look upon ASEAN as a major factor in maintaining and consolidating the economic and political stability of Southeast Asia. Although they share similar impressions, France, Italy, and the UK continue to insist on a go-slow approach. They are concerned that such an undertaking could weaken the traditional EC posture toward Africa and arouse unrealistic expectations in the ASEAN states. They also want to avoid establishing new precedents that could generate demands from other areas, such as Latin America.

The conference will consider trade development problems and will also discuss integration theory in hope of discovering some lessons from the EC experience that might be applied to ASEAN. ASEAN's ministers are expected to press the EC delegation for concessions on several trade issues--probably without much success. Several months ago there were reports that some EC officials were in favor of establishing a formal "contractual" link with ASEAN along the lines of a trade cooperation "framework" agreement. This position apparently has been abandoned for the time being. In a similar vein, ASEAN delegates to the conference plenary sessions have attempted to persuade the EC to negotiate an export earnings stabilization system (STABEX) covering timber products, palm oil products, sugar, molasses, tea, coffee, rubber, and other selected products. The EC will continue to reject ASEAN's STABEX proposal, but may be more forthcoming toward the UNCTAD Common Fund for financing commodity agreements, currently under negotiation in Geneva. The ASEAN countries also plan to express their concern over the unabated flow of Indochinese refugees to their shores and will seek the cooperation of the EC nations in expeditiously resettling these refugees in third countries.

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