

Parliament (Bundestag) June 16. This, along with a planted leak about a secret meeting between SPD parliamentary leader Herbert Wehner and neo-fascist Bavarian Franz Josef Strauss, gave rise to misguided rumors about a brewing government crisis and a possible "Grand Coalition" between the SPD and the Christian opposition parties.

By the time the vote was actually cast, however, Wehner and Chancellor Schmidt had clamped down firmly against all "dissenters." According to an inside

report from the *Frankfurter Allgemeine Zeitung*, the SPD left's darling, Willy Brandt, threatened at a June 13 presidium meeting to hand in his resignation as SPD Chairman but was harshly upbraided by Schmidt, who is "sick and tired of all this talk of resignation and withdrawing from politics." Schmidt was supported by the rest of the leadership. As a result of this and other warnings, the final tax vote gave Schmidt a small but comfortable margin of 9, with only two hotheads voting against it.

Spanish Pro-Development Forces Win In Parliamentary Elections

SPAIN

With nearly all of the votes counted in Spain's first parliamentary elections in over 40 years, the pro-development Union of the Democratic Center (UCD) electoral alliance led by Premier Adolfo Suarez Gonzalez appears to have a plurality, with about 35 percent of the vote. The UCD's electoral victory, which guarantees the continuance of Suarez in the premiership, is a mandate for his government's increasingly progressive stance in both domestic and foreign affairs.

Under Suarez's leadership, Spain has made rapid strides away from the pro-U.S. policies of the fascist Franco regime and is now on its way to becoming a major voice for peace in the Mediterranean area. At the Belgrade Conference on Security and Cooperation in Europe this week, Spain was backed by Rumania and several other nations when it presented a proposed conference agenda — in opposition to a U.S.-backed proposal — which included discussion of a Mediterranean security pact.

Translated into number of seats in the new bicameral parliament, Suarez' popular vote means a slight UCD majority in the 250-seat Senate and about half a dozen seats short of a majority in the more important 350-seat Congress. Coming in a strong second was the Second International-affiliated Spanish Socialist Workers Party (PSOE) with about 25 percent of the vote and a corresponding 115 congressional seats. The PSOE was followed by the right-wing Popular Alliance (AP) and the Spanish Communist Party (PCE), each of which received approximately 8 percent of the vote; the remainder of the vote was dispersed among dozens of smaller regionalist parties.

Although it fell short of a majority in the Congress, Suarez' UCD will probably be able to form political alliances within that body *without* having to form a coalition government on the cabinet level, thereby ensuring that the pro-development policies of the Suarez cabinet will not be compromised. However, the Felipe

Gonzalez-led PSOE, whose aggressive "American-style" electoral campaign was well financed by the French and West German social democratic parties, has emerged as the clearcut parliamentary opposition party. The first task of the newly elected Congress will be to draw up a new constitution, which will establish the powers of that body itself and which will subsequently need to be approved by the Senate, where the strength of the so-called "left" parties is less prominent.

Since its formation last summer, the Suarez government, which is essentially composed of leading bankers and industrialists tied into the heavy industrial sectors of the economy, has evoked comparisons to Spain's last progressive regime — that of Charles III in the late eighteenth century. Primarily, it has been promoting a foreign policy aimed at strengthening Spain's ties outside of the dollar orbit. Besides its initial reestablishment of full diplomatic relations with the entire East Bloc, the Suarez government has sent recently numerous high-level delegations to Latin America, the Arab world and Japan to conclude large-scale technology export and credit deals. With the Spanish economy expected to require about \$2 billion in foreign loans to stay afloat this year, several hundred million dollars of that total have already been contracted via loans from Kuwait and a West German banking consortium, with a large part of the remainder expected to come from Saudi Arabia. During the visit to Madrid earlier this month by Saudi Crown Prince Fahd, it was announced that a Saudi delegation will be sent to Spain in late June for that purpose.

Already agreed upon during Fahd's visit was the establishment of a Spanish-Saudi Bank "to promote Spanish exports to the Arab world, South America and Africa." Together with the Hispano-Arab Bank, which is jointly owned by Spain, Libya and Kuwait, it will be the second foreign bank allowed to start commercial operations in Spain since the end of the Civil War in 1939. Such permission has been consistently refused to the Lower Manhattan banks.

Concerning relations with the U.S., the head of the Spanish delegation to the Belgrade conference affirmed last week that the Spanish government intends to "reevaluate" its military treaty with the U.S. and that it

will under no circumstances tolerate the use of the American bases in Spain for an airlift to Israel in the event of another Mideast conflict.

The Suarez regime will likely come under heavy pressure from the U.S. for this foreign policy shift. The Carter Administration has been promoting the immediate entrance of Spain into NATO together with the devaluation of the Spanish currency and subsequent

austerity measures. In this regard, Suarez will have to contend with the Rockefeller family's well-entrenched fascist and "left-covered" European terrorist networks — which for years have been headquartered in Spain. Today's *New York Times*, for example, concludes its "man in the news" analysis on Suarez by speculating on the possibility of his assassination.

Soviets' Pre-Belgrade Offensive Forces Shift In French Situation

FRANCE

The Soviet Union has intervened in the French political situation, forcing Atlanticist President Giscard to, at least momentarily, break with the policy line of the Carter Administration on such critical issues as the development of nuclear energy. Soviet leader Brezhnev, scheduled to arrive in Paris on June 20th, will be preceded there by West German Chancellor Schmidt, whose government has been engaged in intensive diplomatic initiatives around Belgrade. The Franco-German summit is being heralded by the French press as a "nuclear summit."

Brezhnev's interview in the June 16th issue of *Le Monde* epitomizes the kind of pressure being exerted on France. He called for a tripling of the volume of trade between France and the USSR and added: "We are convinced that the development of international economic relations on the just basis of equality of rights and mutual advantage, and the refusal of discrimination would be in conformity with the interest of all peoples, the interest of the reinforcement of international peace and security, even though this cannot save capitalism from crises." Having offered the French this carrot, he warned that foreign interference in Africa (remember France's intervention in the Zaire crisis — ed.) and not the African people's struggle for economic development and freedom is the reason for dangerous tensions on that continent. On the Middle East, Brezhnev stressed that "we have always attached, and we still do attach, great importance to cooperation with France in this question. We believe that France, considering its international weight and influence can efficiently contribute to a settlement in the Middle East and participate in its guaranties."

Last week a high-ranking French delegation led by the head of the French Atomic Energy Commission (CEA) André Giraud, presented to the Soviet Ambassador in Paris, Chervonenko, a dossier of information on the French fast breeder reactor Phenix and received in exchange a similar dossier on the Soviet BN-300 reactor. Giraud emphasized that "the cooperation and convergence between Paris and Moscow are exemplary. They

underline the importance of fast-breeders and their future all over the world." The financial daily *Les Echos* succinctly noted on June 13, that these words "will not fail to be heard in Washington," where Carter is opposing the development of such programs. According to *Le Monde* "the convergence of analyses between France, West Germany and the USSR is expected to deepen during the meetings of Giscard with Schmidt and Brezhnev."

Underscoring the fact that France's feet are indeed moving, for once, in accordance with its mouth, an agreement was reached this week with Iran for two nuclear power plants worth ten billion Francs whose construction will begin in July. French Foreign Minister de Guiringaud stated in a radio interview this week that France will also deliver on its promise to build a uranium recycling plant in Pakistan (which the French have rightfully been accused of sabotaging) and to continue negotiations with Iraq for another nuclear deal. The Shah of Iran is holding out the possibility of a contract for two more plants in an oil-for-technology deal, according to an interview he gave on France Inter radio June 14th.

This is not to say that France's role as an Atlanticist gendarme and provocateur has been fully neutralized. Much to the contrary, the battle is raging. In a recent speech only publicized last weekend, General Mery, the chief of staff of the land army proposed a French weapons buildup, to include the development of a French "cruise missile." (The French defense budget is set to double in the next five years.) Mery also elicited the possibility of "limited tactical nuclear war" being fought outside of the European theater, for example the Indian Ocean. Mery is now in the Soviet Union, on a previously scheduled visit, where he will meet with Soviet defense minister Ustinov. The Soviets will undoubtedly give Mery a tour of their military hardware and then ask him if he still thinks "limited" nuclear war is a possibility.

Elements in the French Communist Party have also begun to respond to the combined pressures resulting from the Soviet's offensive and that of its own working class base. Since the beginning of this month there have been several demonstrations, first by researchers of the Atomic Energy Commission and then by technicians and engineers belonging to the Communist union CGT, in protest against the cutbacks in fundamental research and development in science. This movement is developing