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September 15, 1975

CONTENTS

| PORTUGAL: Composition of cabinet still posing problem | 1 |
|--|---|
| CYPRUS: Turkish Cypriots react to Greek Cypriots' move in UN | 2 |
| | |
| | |
| | |
| NATO-FRANCE: France to participate | |
| in arms standardization talks | 5 |
| SEATO: Philippines seeking to abolish SEATO and Manila Pact | 6 |
| | |
| | |
| | |
| | |
| ETHIOPIA: Military council may close US communications | |

Approved For Release 2007/03/06 : CIA-RDP79T00975A028100010022-5

September 15, 1975

PORTUGAL

Portuguese Prime Minister - designate Azevedo cleared a major obstacle to the formation of a new government with the announcement of his program Saturday, but differences over the composition of the cabinet must still be overcome.

Azevedo announced that Major Melo Antunes would be the new foreign minister, but that the rest of the cabinet would not be named until early this week. The principal difficulty seems to be a Communist effort to obtain more representation than either the Socialists or the Popular Democrats are willing to permit. The appointment of Antunes, who led the opposition to former prime minister Goncalves, indicates that some of the Communists' objections have already been overridden.

The government program announced by Azevedo is in general accord with previous demands by the Socialist Party. He indicated, for instance, that democratic pluralism would prevail in the state-controlled media and in labor. Azevedo also indicated that local elections would be held "within a reasonable period of time" and guaranteed the functioning of the constituent assembly.

Azevedo left no doubt that the goals of his government would be to advance toward socialism and to defend those "revolutionary" gains already made. He promised, however, that this would be done with full respect for democratic freedoms.

Azevedo also called for the restoration of order and discipline, particularly in the armed forces. He promised a crackdown on armed civilian groups. He gave lip service to freeing Portugal from foreign economic domination, but also indicated he would seek closer economic relations with Western Europe. Naming Antunes as foreign minister is a step in that direction and an indication that one of the first moves of the new government will be to seek economic assistance from the EC.

The EC Commission's working group on Portugal is scheduled to resume meetings today to make technical preparations for the presentation of an aid package to the EC Council. The Commission is encouraged by recent developments in Portugal and is hopeful that the EC foreign ministers will be able to agree on a figure for the aid package at their meeting on October 6 and 7, although it would be another six months before any funds began to flow.

September 15, 1975

CYPRUS

Reacting to President Makarios' decision last week to take the Cyprus issue to the UN General Assembly, Turkish Cypriot leader Denktash has threatened to declare independence for the Turkish-controlled sector of the island.

After meeting with Turkish Prime Minister Demirel on Saturday, Denktash said he would ask the Turkish Cypriot constituent assembly for authority to declare independence. Such a declaration, he said, would be made if he was not given equal billing with Makarios at the UN and the Greek Cypriots did not agree to resume the stalled intercommunal talks. Ankara is probably opposed to a declaration of independence at this time, although press reports quote a senior Turkish official as saying Turkey would respect a decision of the Turkish Cypriot constituent assembly.

Next 1 Page(s) In Document Exempt

25X1

National Intelligence Bulletin

September 15, 1975

NATO-FRANCE

France has decided to participate in arms standardization talks this fall in the North Atlantic Council and in a special steering group to be set up at the Council meeting on September 17.

The steering group will be charged with developing detailed principles for cooperation in arms standardization, which will be considered at the December meeting of NATO foreign ministers. While French ambassador to NATO De Rose has made clear that participation in these initial discussions does not represent a prior commitment by France to support the NATO effort, he emphasized the similarity that he found in US and French views on standardization in his June discussions with secretaries Kissinger and Schlesinger. At the same time, De Rose has indicated that the degree of actual French participation in arms standardization remains uncertain and will have to be carefully negotiated.

The composition of the steering committee to be charged with directing the arms standardization effort has not been decided. The US has suggested that it include senior representatives from all member nations and various NATO military officials. France, however, may be thinking of a more limited group of key nations to act for the Council. Moreover, the French may object to NATO military authorities participating in the committee because of France's determination to remain aloof from the military side of NATO.

France, like the other European allies, is also interested in developing a European entity to carry on a dialogue with the US on such topics as greater trans-Atlantic cooperation and the armaments flow. Eurogroup—the informal caucus of the European members of NATO—is now discussing this topic, but France has so far refused to take part. The Belgians are urging formation of an ad hoc group to accommodate France, but the major allies want prior assurances that the French would participate in a serious manner.

Paris' reservations point to the continuing influence of Gaullist views in French politics. According to the Belgian ambassador to NATO, the French government may still be undecided about greater involvement in arms standardization. He believes the French Ministry of Foreign Affairs and President Giscard may favor it, but that Prime Minister Chirac and important defense officials are less enthusiastic. Giscard's freedom is limited, moreover, because he relies on the Gaullists for his parliamentary majority. The Belgian—like his colleagues—sees French willingness to participate in discussions in the North Atlantic Council as an important first step toward NATO arms standardization. The Europeans appear united in the view, however, that a strenuous effort conducted at the highest level is necessary to get

France fully behind the arms standardization effort.

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September 15, 1975

SEATO

A Philippine bid to abolish not only the Southeast Asia Treaty Organization (SEATO) but also the underlying Manila Pact of 1954 has complicated planning for the organization's annual council meeting. The session will be held in New York on September 24 and attended by the foreign ministers of the member states—the US, the UK, Australia, New Zealand, Thailand, and the Philippines.

In the working group preparing for the council session, the Philippines has proposed termination of the Manila Pact when SEATO is phased out as a formal organization in two years. Thailand, however, wishes to retain the Manila Pact because, unlike the Philippines, Bangkok has no bilateral security treaty with the US. Prime Minister Khukrit discussed this issue with Marcos in Manila in July and came away thinking he had Philippine agreement to continuing the pact in force.

Philippine Foreign Secretary Romulo appears to be behind the change in the Philippine position as part of the Philippine effort to improve Manila's relations with communist countries. Romulo argues that the pact is outdated and a gratuitous provocation to the communists. In formulating his proposal, Romulo probably was encouraged by comments by Australian Foreign Minister Willesee who, like Romulo, is playing to international audiences in advocating an early end to both SEATO and the Manila Pact.

| The US backs Thailand's interest in extending the pact and the UK will go |
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| along even though SEATO is not one of its major concerns. New Zealand sees |
| SEATO as outdated but accepts the Thai view, and even the Australian Labor |
| government, despite its dim view of SEATO and the negative attitude of its foreign |
| minister, will probably go along with majority sentiment in favor of the Manila Pact. |
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September 15, 1975

ETHIOPIA

The president of Ethiopia's military council, General Teferi Benti, said at a press conference yesterday that the US communications installation in Asmara, part of which was severely damaged by Eritrean insurgents over the weekend, would be closed down by the end of the year. The agreement which covers the installation cannot be legally terminated before May 1979.

Teferi's statement left some confusion as to whether he meant the facility would cease to operate or merely operate on a more restricted basis. The remark was in line with a government statement to the UN last year, however, that the installation would be shut down—a statement made to promote an Ethiopian image of nonalignment.

The two Americans and six Ethiopians manning the part of the installation that was attacked are still missing. Repairs to the site cannot be completed for at least a month.

The attack on the US installation was designed to disrupt the anniversary of the military take-over. The celebration at the capital in Addis Ababa was well attended, however, and unmarred by violence or anti-government demonstrations.

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