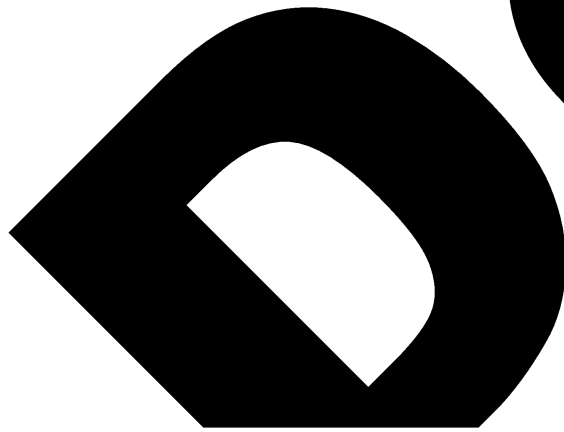


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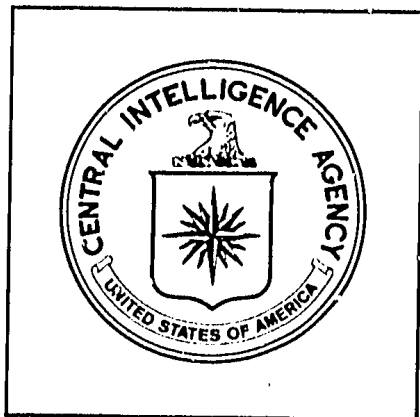
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WESTERN EUROPE – CANADA – INTERNATIONAL ORGANIZATIONS

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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Government Crisis Looms in Finland

Some Finnish political observers believe President Kekkonen intends to force new elections prior to the European security conference, which may be held in Helsinki this summer.

The prospect of an early election was most recently raised when Kekkonen wrote letters to feuding government leaders scathingly critical of their performance. He warned that he was considering dissolving parliament. The   President has chastized leaders before, and most observers were at first willing to discount this letter as Kekkonen's latest "kick in the pants."

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The prospect appeared more serious, however, when the newspaper of the coalition Social Democrats took the unusual step of publishing the text of the letters. As a result, the coalition Center Party, two of whose leaders Kekkonen criticized by name, and the coalition Swedish Peoples Party have begun to gear up for an election campaign.

Kekkonen probably is awaiting the outcome of Center Party consultations this week on the issues dividing it from the Social Democrats. If he remains dissatisfied, he will probably dissolve parliament before the end of the month and call an election for July 20-21. Some Finnish conservatives speculate that with the European security conference summit probably coming up in Helsinki, Kekkonen may hope that the next coalition will include the Communists. 

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The EC in Dublin and Luxembourg

The EC foreign ministers' Dublin-Luxembourg discussions, April 12-15, devoted some time to consideration of the changing relationship between developed and developing states despite the overshadowing issue of Vietnam and the need for decisions on continuing EC policies.

The informal weekend meeting near Dublin spent Saturday on a free exchange of views over long-term prospects for European union. The foreign ministers moved to more immediate concerns when news from Paris showed that the preparatory consumer-producer conference might fail despite US-EC solidarity there against developing country demands. Talk began in Dublin and continued in Luxembourg about the Middle East and the stalled EC-Arab dialogue, Portugal where the EC is still dubious of the merits of any joint demarche, and Vietnam. No major decisions were made.

Press leaks about the US-EC exchange on Vietnam caused considerable chagrin. Irish Foreign Minister FitzGerald, who was chairing the sessions, described the leaks as false and misleading because of their negative tone. He emphasized that the Nine--who offered to consider urging a cease-fire on both sides in Vietnam--had unanimously considered the US message a helpful use of the US-EC consultative process.

Earlier hopes that the Luxembourg meeting could note the successful end of negotiations on the first phase of EC Mediterranean policy were abandoned earlier this month because

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of continuing disagreement with the Maghreb. The ministers decided that the agreement with Israel, which had been designed for parallel implementation, would nevertheless come into force on July 1.

The raw materials question and changing relations between developed and developing states received peripheral attention in Dublin. In Luxembourg, British Foreign Secretary Callaghan outlined his plans for the forthcoming Commonwealth ministers' conference and for other meetings dealing with the raw materials question. Commission papers on the topic were taken up, and the council requested a complete commission study of the EC's raw materials needs as soon as possible. The ministers agreed on the importance of coordinating community positions in advance of meetings dealing with raw materials and requested the committee of permanent representatives to set up the appropriate consultation procedures.

The council also set up a preliminary program on consumer protection, approved joint EC representation in Ankara and Athens on the Aegean dispute and agreed on distribution of a second aid installment under UN auspices to countries facing the most serious balance of payments disequilibria.

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Dutch Leaders Affirm Support for F-16

There are strong indications that the Dutch government has already made the decision to opt for the US F-16 as a replacement for its F-104s.

Foreign Minister van der Stoel's chief advisor on the replacement issue has confided to US Embassy officials in The Hague that he is working on a message to the Dutch ambassador in Washington instructing him to explore the possibility of making an advance payment for the F-16s. Such an arrangement would eliminate the possibility of a rise in price due to some future improvement in the dollar exchange rate compared to the guilder.

Defense Minister Vredeling, testifying before parliament on April 15, said he would stand by his decision to recommend the F-16. Vredeling, a member of the Labor Party, was responding to the resolution passed by his party congress on April 11 rejecting both the F-16 and the French Mirage F-1E.

Vredeling went on to say that the decision would be made by the cabinet and would not be subject to a direct vote by parliament. Foreign Minister van der Stoel, also a member of the Labor Party, has declared support for Vredeling's recommendation, according to a Dutch newspaper.

Failing a parliamentary debate on the issue, the Labor Party's only recourse would be a vote of no confidence in the government. Although the Labor Party congress was dominated by young militants, cooler heads in the party's parliamentary group would probably balk at bringing down the government over the F-104 issue. One

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compromise solution already mentioned publicly is a reduction in the number of aircraft to be ordered. This suggestion is being strongly resisted by the defense ministry.

There have also been favorable signs in Copenhagen, where the Dutch ambassador told his US counterpart that the Dutch government would hold to its original decision to buy the F-16. The ripples caused by the Dutch Labor Party's resolution also seem to be subsiding in Denmark. The Danish media, which had initially equated the Dutch Party's statement to a government decision, yesterday emphasized that the Labor Party resolution is not binding on the government. One of Denmark's most influential newspapers, Berlingske Tidende, called on the Danish government to stop dithering around waiting for the Dutch to make up their minds and get on with its original plans to buy the F-16. The parliamentary defense committee's chairman told US embassy officials in Copenhagen yesterday that "everything is back on track."

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Peacekeeping Leads to Arguments at the UN

The Security Council meeting today to renew the mandate of the UN peacekeeping forces in the Sinai points up the general agreement that exists among UN members on the positive contributions such forces have made and continue to make since the first one was established in June 1950. Despite this broad appreciation, however, UN states have never been able to agree on guidelines to be followed in establishing and subsequently monitoring these operations.

The principal stumbling block to negotiating guidelines continues to be the Soviet's attitude on how the peacekeeping operations should be controlled and the national representation, both of the forces in the field and of the Secretariat officials headquartered in New York. The Soviets insist that the primary responsibility for establishing and conducting peacekeeping operations should remain with the Security Council--as the UN organ chiefly responsible for the maintenance of international peace and security. In line with this policy, the Soviets have long tried to circumscribe the responsibilities of the Secretary General in supervising the day-to-day activities of the peacekeeping forces and to restrict his role chiefly to one of reporting on the progress of peacekeeping operations and of implementing Security Council directives.

To ensure that the permanent members of the Security Council retain the primary power in peacekeeping operations, the Soviets continue to urge the establishment of a permanent committee that would be responsible for day-to-day

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operations of any peacekeeping forces. This Article 29 Committee--named after the article empowering the Security Council to establish those subsidiary organs which it deems necessary to carry out its functions--would advise the Secretary General on all aspects of the peacekeeping force's functions and thus would effectively have a veto over any initiative by the Secretary.

The Soviets have also resurrected the Military Staff Committee as an alternative mechanism of control. The Military Staff Committee, an organ of the Security Council, was originally established as the body responsible for supervising the implementation and direction of military operations conducted by the Security Council. When political factors prevented it from assuming such military responsibilities, the command functions were delegated on an ad hoc basis which was determined by how, and under whose responsibility, the peacekeeping force in question was established.

The other major Soviet concern is the question of equitable geographic representation. The Soviets have long felt that Warsaw Pact members have been discriminated against when the troop composition of peacekeeping forces is determined. At the same time, they feel that inequitable geographic distribution within the UN Secretariat itself further prejudices Moscow's chances of a fair share of peacekeeping slots.

Earlier hopes of resolving these issues in a smaller negotiating group made up of four of the five permanent Security Council members--China has consistently refused to accord the UN any peacekeeping authority--have been setback by the reaffirmation of these traditional Soviet positions.

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Turkish Cypriot Leader Under Fire in Constituent
Assembly

Rauf Denktash is facing his first serious challenge as leader of the Turkish Cypriot community in the continuing debate over a constitution for the "Turkish Federated State of Cyprus."

Debate has been unexpectedly acrimonious in the Turkish Cypriot constituent assembly, with most of the disagreement focused on the powers of the presidency. This has necessitated several extensions of the deliberations which began on February 24 and were to be completed by April 9.

A majority of the speakers have argued that the powers to be accorded the presidency, which Denktash is expected to assume, are inordinate and could lay the basis for an authoritarian regime. The delegates have already substantially modified the original draft that for the most part was formulated in Ankara. While the draft still provides for a strong presidential system, Denktash's critics have succeeded in reducing the presidential term of office from 7 to 5 years and in imposing a limit of two consecutive terms on any individual.

The beleaguered Turkish Cypriot leader is reportedly being challenged by four opposition groups who have been working together in the constituent assembly to curb presidential powers. He has also encountered opposition within his own cabinet, forcing him to dismiss one minister. Another minister, now in the UK, is not expected to return to Cyprus.

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Denktash still enjoys Ankara's backing which gives him control over the Turkish Cypriot political and administrative machinery. The prospects are, however, that he will face increased political opposition and challenges in the future now that the heretofore cohesive Turkish Cypriot community is faced with a greatly diminished threat from the Greek Cypriots.

This could lead Denktash to assume a tougher stance in the intercommunal talks in an effort to restore his popularity, although Ankara still has the determining voice.

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Prospects for Demirel Government

The newly installed government of Prime Minister Suleyman Demirel, which won a narrow vote of confidence last Saturday, will have to perform a delicate balancing act if it is to provide effective leadership. Demirel must deal with serious strains that will inevitably develop within the governing coalition and at the same time parry attacks from a determined opposition.

In his first major speech since the parliamentary vote of confidence, opposition leader Bulent Ecevit charged corruption in the vote and warned that he would require only eight honest men "without gambling debts or weaknesses exploitable by big profiteers" to bring down the government. The eight votes represent the difference between the 218 votes cast against the government last Saturday and the 226 needed to unseat the government under the constitution.

Ecevit, however, probably does not want to be blamed for plunging Turkey into another government crisis and has claimed that his Republican Peoples' Party will play a "moderate" opposition role. He hopes that the government will make enough legislative and policy mistakes to assure a victory for his party in the next election.

Demirel's Nationalist Front coalition partners, who are united primarily by a desire to be in the government and to avoid elections, are reportedly already at odds with each other. One of the partners--the Islamic-oriented National Salvation Party--is noted for its uncooperative and obstructionist tactics; it was instrumental in breaking up the previous government in which it participated along with former Prime Minister Ecevit's party.

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The Salvationists, who challenge Turkey's choice of Western models for modernization, oppose foreign private investment and tourism and advocate a vague, utopian economic policy. Their holding of important economic portfolios does not bode well for the economy.

Another vulnerability of the Demirel government is its dependence on the small Pan-Turkish National Action Party, a group even more extreme than the Salvationists. Led by Alpaslan Turkes, this national socialist party boasts of its right wing "commandos" many of whom have been involved in recent clashes between left and right wing students. Turkes' party, which has only three seats in parliament, is over-represented in the government with two posts, although it does not head a ministry.

Both of the extreme right parties in the coalition advocate a hard line on Cyprus and can be expected to oppose giving up any of the territory now held by the Turkish Cypriots. Both also oppose Turkey's membership in NATO and the EC. Although Demirel and his foreign and defense ministers are experienced and moderate figures, they may have the same trouble Ecevit had in keeping the extremists in line.

Demirel also reportedly believes that he cannot appear to be any less committed to the national interest than Ecevit; he will have to stand up to the Greeks on Cyprus.

Demirel appears determined to show the military, which forced him to resign in 1971, that he is capable of effective rule and that it was wrong to unseat him. Although the military still dislikes and mistrusts Demirel, it will probably maintain a "hands off" policy unless there is a dramatic rise in civil unrest or Demirel tries to take some form of revenge against the armed forces.

The next months will be critical for the government. If it can survive until the summer when the

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students and parliament go into recess, it should have a long breathing spell. In August Demirel will be able to use the annual military promotions and reassignments to try to build support within the army. He is already reportedly trying to cultivate certain senior officers he believes are sympathetic to him.

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Portuguese Military Leader Promises Elections
Will Be Held

Admiral Antonio Rosa Coutinho, rapidly emerging as a dominant member of the 28-man Revolutionary Council, promised on Tuesday that elections will be held, but that the Armed Forces Movement will not allow itself to be a "prisoner of the results."

In an hour-long televised interview, Rosa Coutinho tried to counter the widespread suspicions that the Movement might cancel or delay the elections at the last minute out of fear that the results would show that the people do not favor the Movement's policies. Coutinho said that elections must be held, because to call them off after the people had waited 50 years for free elections "would be like taking a toy away from a baby." He added, however, that the elections will not affect the Movement's decision to move toward socialism and stay in power for at least the next three years.

Coutinho, a 49-year old-career navy officer who served as head of the governing junta in Angola until recently, has been appearing more and more frequently as a Movement spokesman. This week he was appointed executive director of the Revolutionary Council, a potentially powerful position that gives him the authority to spend up to \$400,000 without obtaining government approval.

Socialist leader Mario Soares has reportedly identified Coutinho as the leader of the leftist socialist faction within the Revolutionary Council. Soares believes that this is the most important group in the Council and that it is slightly larger than Prime Minister Goncalves'

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pro-Communist faction. Coutinho's name is frequently mentioned as the leading contender to replace Prime Minister Goncalves should he fall.

Admiral Coutinho is also rumored to be in line to assume control of a reorganized internal security apparatus, which will combine several intelligence and police functions.

He is now in charge of the inquiry into the March 11 coup attempt. The preliminary results of the investigation are to be published next week. Some civilians may be implicated, and members of the moderate Socialist and Popular Democratic parties fear that disclosures right before elections will hurt them at the polls.

Coutinho created a stir last week by calling for the establishment of a new political party-- described as a "civilian Armed Forces Movement"-- to which the Movement could gradually transfer some of its powers. Coutinho openly admits his distaste for Socialist Party leader Mario Soares, who he sees as too conservative, but even more strongly opposes the influence the Communists now enjoy in the government. His proposed new party would fall ideologically somewhere between the Socialists and the Communists and, in his view, eliminate the bickering and fighting among parties that currently plague the Portuguese political scene.

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