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# The National Intelligence Daily

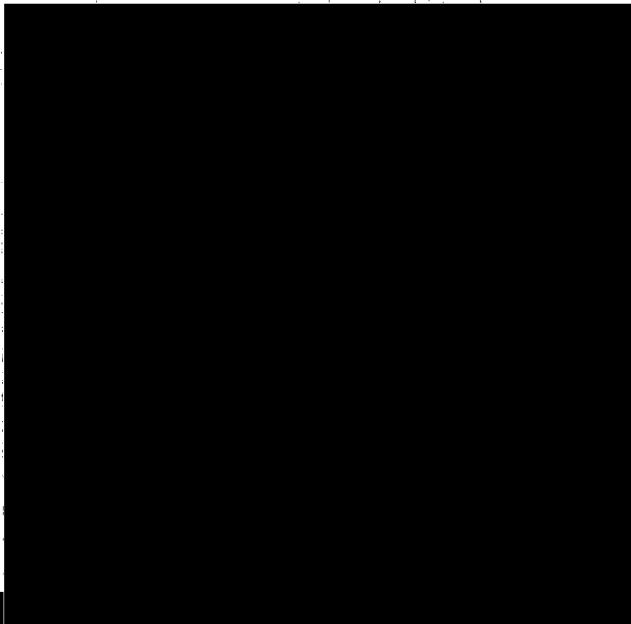
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## Portuguese Communists Heed Violence, Increasing Isolation

The conciliatory tone of Portuguese Communist leader Cunhal's statement Sunday to the party central committee shows a growing concern over the increased violence in northern Portugal and over the increasing political isolation of

the Communists. Cunhal called for changes in the government to broaden its support and improve its efficiency. He also stressed a need to overcome widening rifts between civilian organizations and within the military.



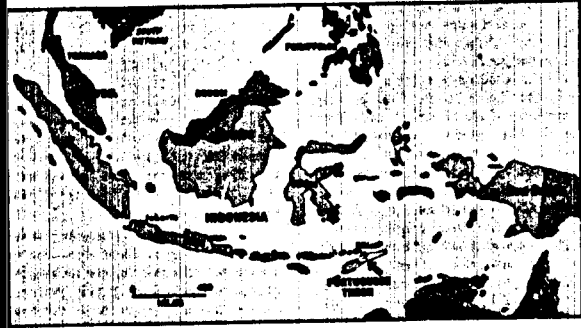
Communist leader Cunhal

The Communist leader appeared to back away from his previous tough positions, renewing an earlier Communist theme that his party is willing to work with all groups that "cooperate with the goals of the revolution." Cunhal also mentioned the need for Portugal to maintain close relations with capitalist countries—especially those in the EC.

A softening of the Communist line is also evidenced by renewed Soviet interest in a broadly based leftist coalition in Lisbon. The Soviet press has in recent weeks treated the Portuguese Socialists harshly, but, in reporting on a recent meeting between Soviet and Italian Communist delegations, *Pravda* noted that both sides "advocated unity of action" by all forces of the left, including the Socialists.

Cunhal's remarks had no immediate effect on anti-Communist activity in northern Portugal. In Braga, violence continued for a second day. Demonstrators there burned down the party's headquarters and destroyed the offices of the Communist-dominated Por- (See Portugal...Page 4)

## Suharto Told Hostile Elements Behind Show of Force in Timor



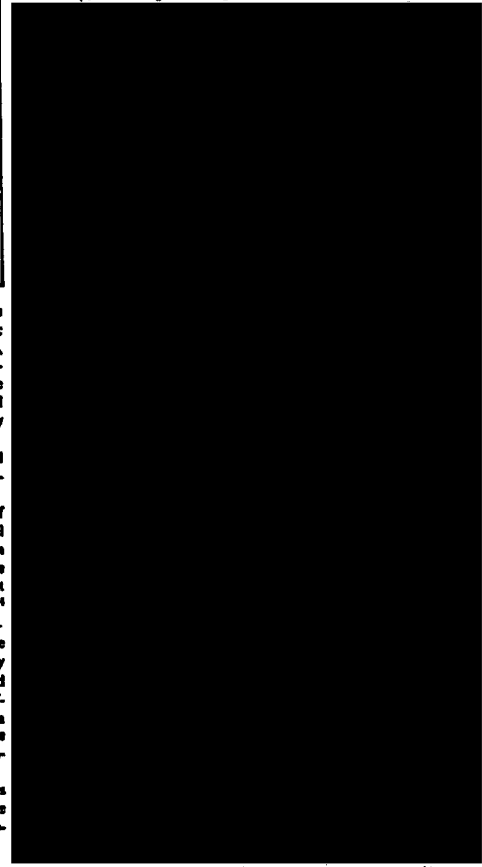
Indonesian military officials have advised President Suharto that parties hostile to Indonesia were responsible for the show of force in Portuguese Timor this weekend. They have recommended immediate Indonesian military action against the colony. Our information about the situation in

Timor is sketchy. Initial reports indicate that members of the Timor Democratic Union Party, an anti-communist, pro-independence group, occupied communications centers, the airport, and the police station in Dili on Saturday and Sunday; they then laid siege to military headquarters. It is not clear, however whether they were seeking to take full control of the government from the Portuguese authorities.

Local Portuguese troops, most of whom were apparently out of the capital conducting political education missions in the countryside, have not yet reacted. The Portuguese governor reportedly has met with the dissidents, but we have as yet had no word about the demands or intentions.

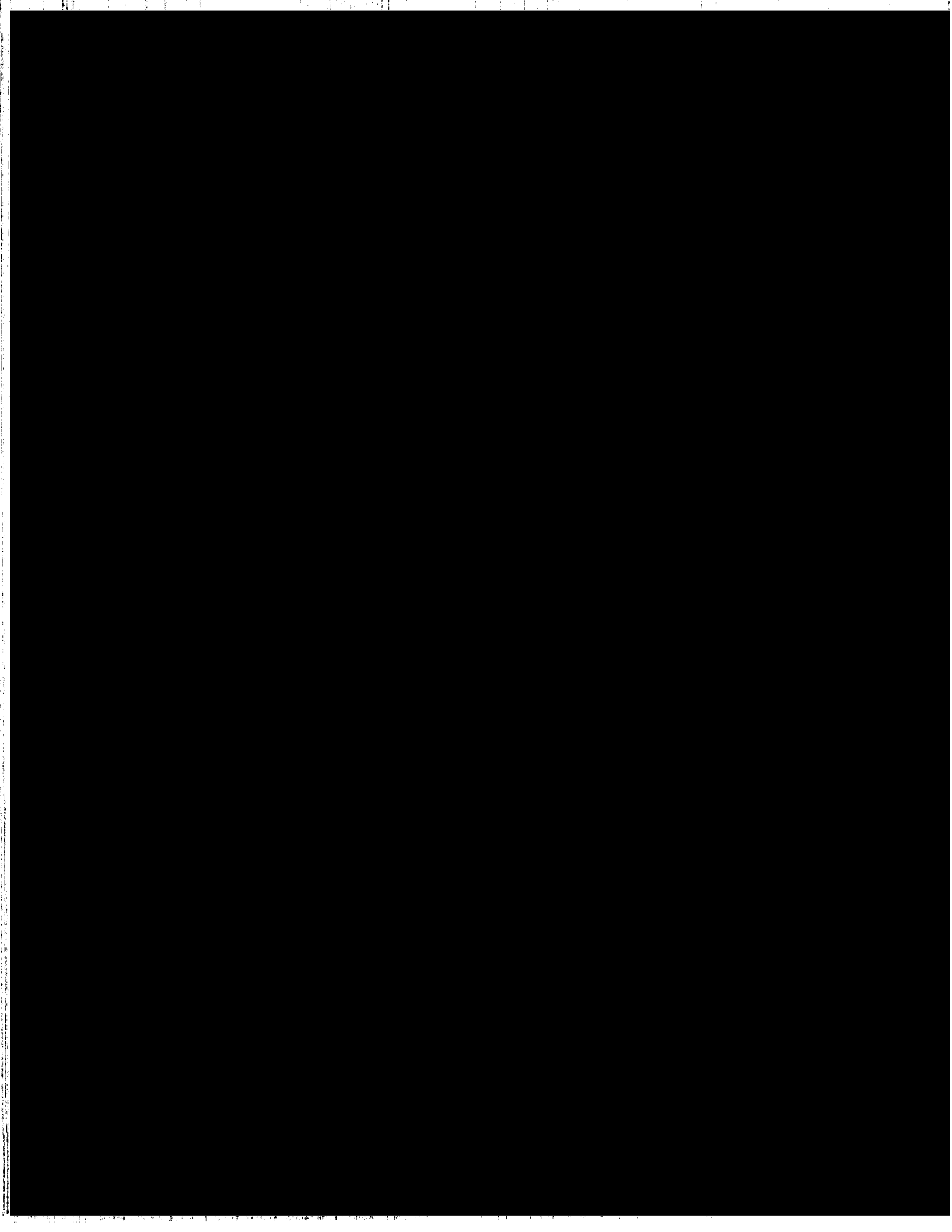
Indonesian intelligence officials believe that members of the leftist Fretilin party and local Portuguese noncommissioned officers were also involved. These officials contend that the action is a preemptive move to neutralize Timorese favoring integration of the colony into Indonesia.

Military and intelligence officials believe that, if Indonesia is to take military action, it should start immediately. (See Timor...Page 4)

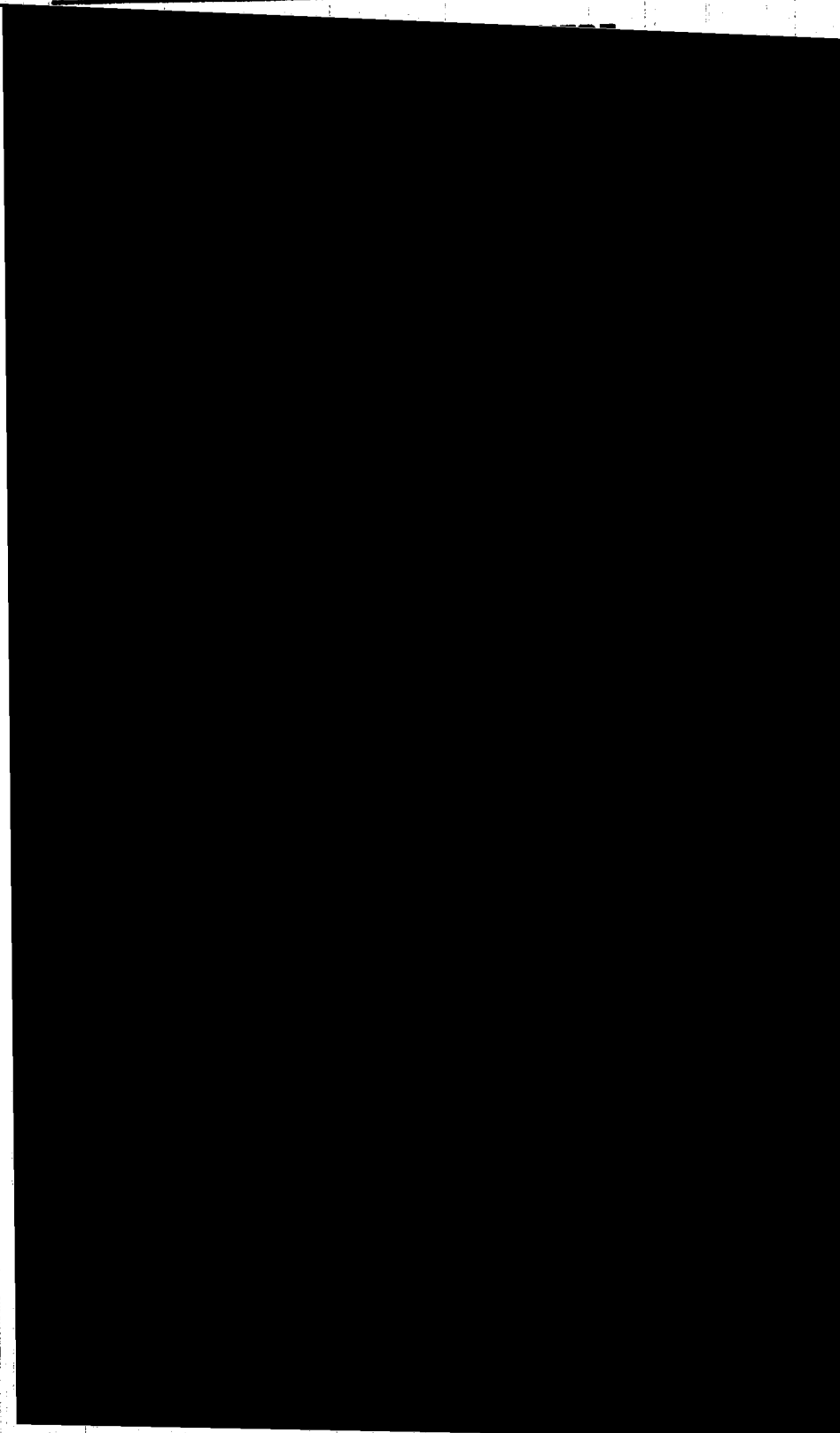


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### Portugal . . .

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tuguese Democratic Movement and the Communist-controlled labor confederation.

In Lisbon, General Pinto Soares has resigned from the Revolutionary Council and from his post as head of the military academy to protest the way decisions are made in the Armed Forces Movement and the continuing radicalization of the military. He voiced even stronger opposition to the dissidents' document drafted by former foreign minister Antunes, which he labeled "divisionist" and "opportunistic."

The nine officers suspended from the Revolutionary Council for circulating the anti-regime document have reportedly decided not to comply with an order to report to their respective general staffs for reassignment. Sources close to Antunes now claim that 85 to 90 percent of the armed forces support the views set forth by the dissident officers.

These sources told [redacted] that they still hope to avoid using force to remove Goncalves. They expect to demonstrate so much support within the military that President Costa Gomes will have no alternative but to dismiss Goncalves and his newly formed government. President Costa Gomes' performance to date, however, has raised speculation in Lisbon that he may be reluctant to move against Goncalves because of the close ties between their families and that he is being blackmailed by radical officers for alleged cooperation with the Caetano regime.

Antunes' group claims to have the backing of most enlisted men and presumably thinks it can count on them for a show of force. The dissidents may be overestimating their support, however, because these men have been subjected to considerable Communist and extreme left-wing propaganda.

Goncalves is unlikely to relinquish power without a struggle, and he still has considerable backing. Despite Cunhal's more conciliatory tone, Communists in the unions and the media would probably lend their support to an effort to maintain Goncalves in office. [redacted]

### Timor . . .

*From Page 1*

ly, before the situation in Timor has crystallized. Military leaders say they can begin moving troops immediately. [redacted]

