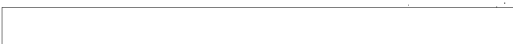


The President's Daily Brief

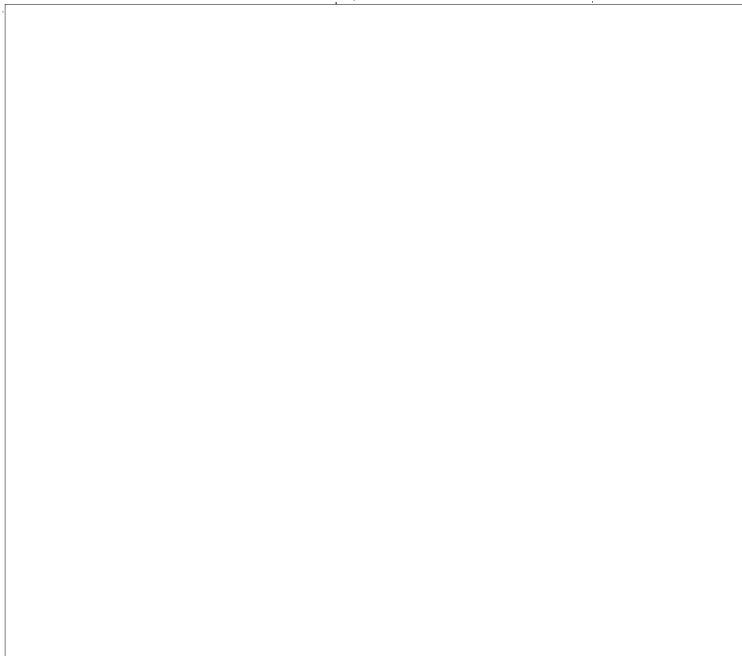
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October 26, 1974

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TURKEY-GREECE

Foreign Minister Gunes said in Ankara yesterday that a cutoff in US military aid would not change Turkey's policy on Cyprus. It would have an effect, however, on joint defense relations with the US.

Gunes said, "When and if the aid actually stops, Turkey will be forced to review its entire mutual defense cooperation with the US." Gunes made no direct reference to the US military presence in Turkey, but noted "that if one participant in an agreement reduces its obligations, the other side feels the need to reconsider its own obligations."

Gunes emphasized that whatever happened in terms of bilateral relations with the US, Turkey would remain a member of NATO. The foreign minister told reporters that if US equipment is not available Turkey would seek alternative sources, but he declined to elaborate.

* * *

Turkey's dispute with Greece over oil exploration rights in the Aegean has widened. In the face of Ankara's determination to assert what it insists are its rights to the contested continental shelf, Athens has told [redacted] foreign governments that Greece is opposed to foreign companies' becoming involved with Turkey in exploring for oil in the Aegean.

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The Greeks are reacting to recent press reports alleging that Norwegian and Danish companies will begin such exploration in late November for the government-owned Turkish petroleum company. Norwegian and Danish officials in Ankara have disclaimed any knowledge of such cooperation between the Turks and Norwegian or Danish companies.

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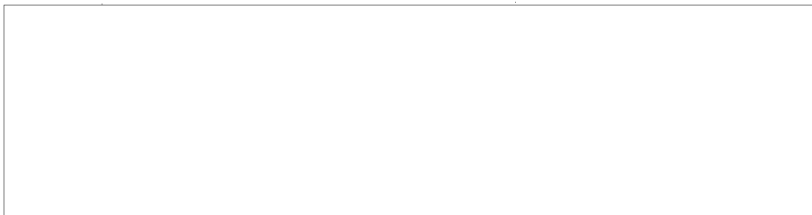
ITALY

Amintore Fanfani's failure to resuscitate the center-left coalition is almost certain to usher in a period of weak government by a caretaker administration.

Beginning Monday, President Leone will consider the remaining options in a new round of consultations with political leaders. The President could ask another Christian Democrat to try to revive the coalition, but he is likely to view Fanfani's failure as evidence that the positions of the former coalition partners for the time being are irreconcilable.

Given the composition of the Italian parliament, there is no workable non-Communist alternative to the center-left alignment. Until another attempt can be made to re-form the center-left coalition or, failing that, parliament is dissolved and new elections called, a caretaker government--perhaps a Christian Democratic cabinet--probably will carry out routine business. The absence of the Socialists, however, would make it difficult to take any action requiring a broader consensus.

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INDIA

The chairman of the Indian Atomic Energy Commission told Ambassador Moy-nihan earlier this week that India would conduct no further nuclear testing "until April or thereabouts," because the prevailing winds blow toward Pakistan until then.

The Indians did show considerable concern over wind direction in connection with their first test on May 18, and from April on chances will be much better for favorable winds. This factor may be one consideration prompting the Indians to put off their next test until then.

It may not, however, be the key factor. It is possible to find isolated days almost anytime of year when the wind direction would keep any debris well away from Pakistan.

The Indian record for candor in discussing this general subject with US officials is poor. India probably already has the materials for a second test and we know that preparations have begun. [redacted]

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BANGLADESH

The government's inability to deal with famine, inflation, smuggling, and corruption apparently continues to cause dissatisfaction within the army's officer corps.

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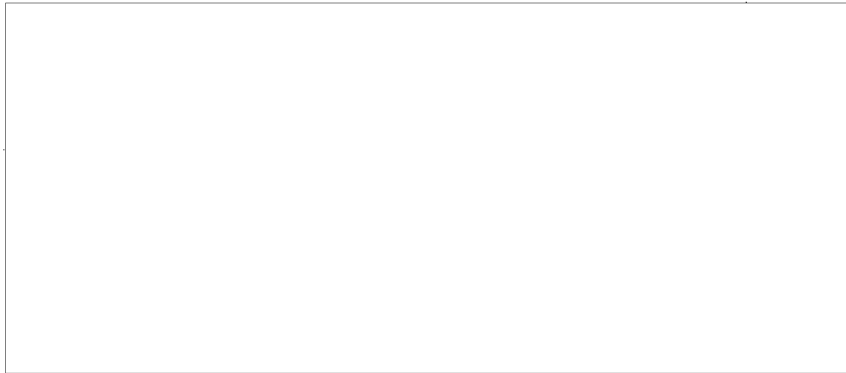
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In any event, pressures will build as Bangladesh enters the critical pre-harvest period which will last from now through November.

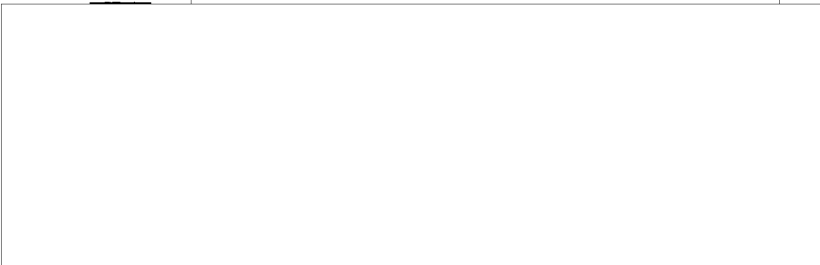
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NOTES



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Peru:



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Portugal: Portuguese leaders are concerned that an anti-CIA press campaign will impair US-Portuguese relations and impede the Azores base negotiations. Foreign Minister Soares has told Ambassador Scott that the articles were Communist-inspired. He said the Communists hope to counter the favorable image of US-Portuguese relations that was created by the visit of Soares and President Costa Gomes to the US. Soares said the orchestrated campaign of defamation was aimed at him and Costa Gomes, not just the US. The articles allege that the CIA and the US embassy in Lisbon are subverting Portugal and are responsible for such events as the pro-Spinola "silent majority" demonstration on September 28.

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