



The President's Daily Brief

January 28, 1975

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PORTUGAL

We present below the summary of an interagency intelligence memorandum produced on January 27 dealing with Portugal: Recent Developments and Short Term Prospects.

Evidence is accumulating that growing tensions of recent days may result in major changes in the Portuguese leadership, which would have considerable impact on future policies. One catalyst is the approach of constituent assembly elections, promised by the end of March. Time seems to be running out for the present coalition government which, unable to resolve contentious issues in the pre-election period, is at the breaking point. More important, officers in the Armed Forces Movement may be about to fall into internecine strife avoided thus far.

Although we still know relatively little about the officers of the Movement, the past several weeks have taught us something about what drives them. First and foremost all of them fear reaction from the right and a return to the status quo before the coup of last April. This largely accounts for their susceptibility to pressure from the left reflected, for example, in the recent decision favorable to the Communists on the unitary labor law. But the moderates also have grounds for fearing the left. These apprehensions will dissipate very slowly, if at all. Until they do, the officers in the Movement will behave as a beleaguered but also divided group.

Events over recent weeks suggest that:

--Those within the Movement who advocate moderation have been increasingly on the defensive.

--Many influential figures in the Movement have come to the conclusion that the populace cannot be counted on to choose wisely in free elections, and that the Movement will have to remain as the final arbiter for a long time to come.

--Chances are better than even that, if elections are permitted this spring, they will be accompanied by measures by the Movement--with strong Communist support--to prevent the center and right from gaining a significant share of power.

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PORTUGAL

*Coalition unity evaporated yesterday
as major party leaders traded accusations.*

Foreign Minister Soares, who also heads the Socialist Party, told a press conference that the Portuguese Communist Party is anti-democratic. He said that the unitary labor law was an error which the working class would correct, and warned that "extremist solutions" could lead to civil war.

Communist leader Cunhal responded by calling those who talk of war "fascist reactionary plotters." He denied that his party was planning a coup and said that those who agitate about coups are merely covering their own intentions.

Both the Socialists and Communists are preparing large public rallies in Lisbon on Friday night. The rallies will be held in close proximity and at virtually the same time. The potential is great for violence, which could lead to a declaration of martial law and the canceling of the spring elections. One minister says there will be no clashes because both rallying groups are supposed to use different routes.

According to an aide of Soares, Prime Minister Goncalves asked the Communists to hold a demonstration similar to the Socialist rally in order to have a pretext for canceling both events.

Rumors are circulating in Lisbon of imminent changes in the leadership. Minister Without Portfolio Vitor Alves, who opposed the labor law, is one of those rumored to be on the way out.

In each of the two past shakeups of the provisional government the complexion of the cabinet has shifted more to the left. A gradual assumption of power by some combination of Communists and radical leftists seems to be a greater possibility than a sudden coup. The latter would be more likely if there were a series of events that the left would regard as fatal to their cause.

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ARGENTINA

Foreign Minister Alberto Vignes announced yesterday that adoption of the US Trade Reform Act is responsible for the postponement of the meeting of Latin American foreign ministers scheduled for March in Buenos Aires.

The move is another blow to the dialogue between the hemispheric foreign ministers and Secretary Kissinger, but the session would almost certainly have been rancorous. Vignes cited the tense atmosphere created by the Trade Reform Act as the reason for putting off the meeting. He said a new meeting would not be scheduled "until a solution is found" for the divisive situation created by the Trade Reform Act and "until the new dialogue takes on a meaning which it was supposed to have had at the outset."

Last Friday, a special session of the OAS permanent council issued a resolution declaring that the Trade Reform Act violated commitments the US had made to developing countries. The resolution recommended that the issue be discussed at the next OAS general assembly in April. Several Latin governments--particularly the Venezuelans--have expressed strong reservations about conducting the hemispheric dialogue in foreign ministers' meetings. Venezuelan President Carlos Andres Perez has argued strongly that any issue between Latin countries and the US should be discussed only in the OAS where "agreements are more binding"--a reflection perhaps of the suspicion and lack of confidence that characterize current Latin attitudes.

Although reactions of Latin leaders to the postponement are not yet available they can be expected to support the Argentine decision as regrettable but necessary. Venezuela, a vociferous critic of the Trade Reform Act, will interpret the postponement as a diplomatic triumph for Perez' policy, and one which further enhances his reputation as a hemispheric leader.

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ETHIOPIA

Army officers in Addis Ababa reportedly are planning a coup against the ruling military council. The coup leader, who opposes the council's leftist policies, may act as early as next week. He appears to have a good chance of success.

[redacted] the leader of the coup is Colonel Gebre-Yesus Mikael, a brigade commander who controls key units in Addis Ababa, including some of the units that protect the council's headquarters. These troops are to provide the main strike force, and Gebre-Yesus reportedly has received assurances from officers who command police and other army units in the capital that their men will either support the coup or be passive.

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Gebre-Yesus expects to receive support from veterans groups, many of which are armed and could be of significant help in a coup attempt. Gebre-Yesus is sounding out important unit commanders in the provinces, and is making preparations to neutralize air force and paratroop commands near Addis Ababa, should they try to stop the coup.

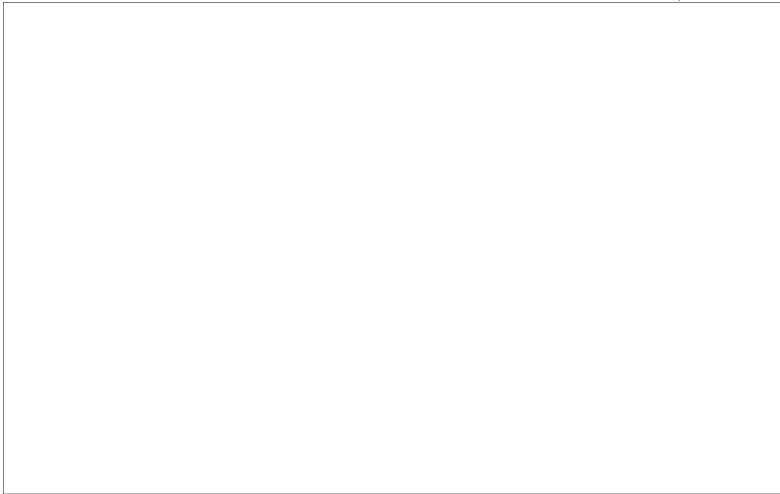
The coup leaders believe the council's policies, including its adoption of socialism and nationalization of businesses, are too radical for Ethiopia. Gebre-Yesus is particularly concerned that civil war will break out if the council attempts a radical land reform program. He also apparently opposes the council's loosening of ties with the West in favor of improving relations with communist governments.



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SYRIA-ISRAEL



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THAILAND

The Democrat Party has won the largest number of seats in the new parliament, but its 72 seats are far short of the 135 needed for a majority in the lower house. The Democrats will have to enter into a coalition with at least four other parties to form a government.

The Democrats, moderate and middle-of-the-road, have for many years represented the only organized opposition to military rule. Their strong showing in the election on Sunday indicates a lack of voter confidence in the wealthy, conservative parties backed by the military and business elite. The support of some conservatives, however, will still be necessary for the Democrats to form a government. Fragmentation of the votes, not all of which are in yet, was greater than anticipated, apparently because the military did not instruct their troops to vote en masse for any particular party.

If the Democrats succeed in forming a government, their leader, Seni Pramot, will most likely become prime minister. Such a government would tend to be more responsive to press, student, and intellectual clamor for an early withdrawal of US forces than would a conservative coalition. Even so, the Democrats are not likely to take any precipitous action affecting US interests in the face of opposition from conservative politicians and the military.

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NOTES

Greek Prime Minister Karamanlis proposed yesterday that the potentially explosive Aegean dispute with Turkey be taken to the International Court of Justice.

The Turkish government has not yet responded officially but the press quotes a military source as saying that Ankara would back such a proposition. In the past, Ankara has pointed to earlier Court decisions to help support its claim to a share of mineral resources under the Aegean. The Turks may in any event have some difficulty in implementing their announced plan to explore for oil in the Aegean, because the owners of the Norwegian research ship they had contracted to use have reportedly refused to permit it to sail into disputed waters. The Irmak government was reacting hastily when it announced it would explore in the Aegean, and the Greek offer might provide a face-saving way out of the situation.

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Bahrain is demanding formal reassurance that the US will not use facilities on the Persian Gulf island for hostile military action against any Arab state.

The Bahraini foreign minister has assured the US ambassador that the government has no intention of submitting the Middle East force stationing agreement to the National Assembly for approval, but that a scheduled debate could bring a "sense of the assembly" motion criticizing the stationing agreement. The foreign minister also insisted that the government needs to be able to demonstrate that the US presence brings tangible benefits. This, he said, would require that the annual rent for the lease agreement be increased to \$4 million, a six-fold rise over the amount agreed to in the accord of 1971.

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