

8 MAY 1978

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GENERAL

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1. Salazar's views on Azores air base proposals--Ambassador Baruch reports that Salazar "deduces" that the US and UK propose (a) Portuguese "cooperation", through the grant of Azores bases, "in the hypothesis" of war with the USSR, and (b) assistance in the maintenance of the two existing bases (Lagens and Santa Maria) in readiness. Salazar noted that (a) Portuguese "cooperation" in the event of hostilities would expose that country and its colonies to attack; (b) the Anglo-Portuguese treaty of alliance is unspecific as to mutual obligations in that eventuality; (c) US policy affords no specific guarantees; and (d) Portugal requires specific assurances inasmuch as it is not a member of the UN and, moreover, the UN may not function in the envisaged contingency. Salazar asked directly whether a "political agreement" based on cooperation "in a certain way, for a certain period or for a definite objective" was contemplated, adding that he was not informed as to the powers of the "American Government" in that respect.

The State Department has advised Embassy Lisbon that (a) these Portuguese views go far beyond the ten-year agreement proposed by the US; (b) the US desires merely civil aviation facilities, with certain rights for military aircraft in transit to and from occupied areas; (c) Portugal could make the facilities available to the Security Council if Portugal joins the UN; (d) the US proposal does not cover the use of the facilities in time of war under other than Security Council auspices; and (e) the US anticipates an eventual long-term agreement, but the British are unwilling to discuss such an agreement at present.

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EUROPE-AFRICA

2. FRANCE: Communist coup predicted for 12 May--US Military Attache Brussels on 7 May transmitted

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[redacted] that the Communist Party, in view of its defeat in the Constitutional referendum, will attempt to seize power in France on 12 May.

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[redacted] agitation will begin now with strikes in nationalized factories. The MA considers that (a) the French Communists are capable of seizing and remaining in power, and will do so if Moscow directs; and (b) Moscow would not hesitate to "order action" and "sacrifice the French Communists" if it suited Soviet policy.

Caffery considers any immediate coup unlikely--Ambassador Caffery, in Paris, on 7 May forwarded his opinions that neither the "internal nor international situation at this moment favors or necessitates a Communist insurrection," and that the Party still believes in the possibility of improving its position by legal methods.

A high official of the French Interior Ministry has confided to Caffery that the French Communist Political Bureau met after the referendum results were known and decided that (a) serious doubt now exists that hopes for a Communist-dominated, Communist-Socialist absolute majority will be realized in the 2 June elections; and (b) efforts must be concentrated on gaining seats in the elections by persuading left-wing Socialists to vote Communist.

3. IRAN: Soviet position in Azerbaijan--Acting US Consul Tabriz reports his conviction that evacuation of Soviet uniformed troops, and such materiel as was not turned over to the "Democrats", was completed by the midnight 6 May deadline. The Soviets apparently feel they have the province well under control, as a result of the intensified influx of Caucasian immigrants.

US officials may visit Kurdistan--As a result of the apparent evacuation, the State Department has approved Embassy Tehran's recommendation that the ban on travel of Embassy and Consulate personnel to Kurdistan be lifted.

Schwarzkopf mission--The State Department also has concurred in the Embassy's recommendation that the Schwarzkopf mission (which has been under apparently Soviet-inspired leftist attacks) should not be terminated at this time.

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4. CZECHOSLOVAKIA: Soviet representation at liberation anniversary--
The US Military Attache Prague has learned that the USSR plans to send three Marshals, 48 Generals, and their families to Czechoslovakia for the first anniversary celebration of the liberation of Czechoslovakia. Ambassador Steinhardt comments that this plan (a) indicates a Soviet desire to strengthen the Czech Communist Party on the eve of the general elections, and (b) may reinforce the Communist whispering campaign that failure to elect a Communist majority might result in the Red Army's return to Czechoslovakia. Steinhardt adds that five ranking US Generals, including General McNarney, also will attend the festivities.
5. HUNGARY: Soviets demand evacuation of US Legation residence--The Soviet Acting Chairman of ACC Hungary has twice requested the US Legation to evacuate one of its residences for occupation by the Soviet military and has threatened "unpleasant" action by the Soviet High Command in case of US non-compliance.

FAR EAST

6. KOREA: US to announce adjournment of Joint Commission--General Hodge reports that the US Delegation to the Joint Commission for Korea is preparing to issue "unilaterally" a press release (a) announcing the adjournment of the Commission, (b) stating in full the US position, and (c) clearly exposing the Soviet endeavor to exclude from consultation all Korean elements which have not permitted themselves to be dominated by the Communist Party and its agencies.
7. SIAM: French Indochina border incident--The Siamese Foreign Minister has informed Charge Yost that the Siamese Government fears violent nationalistic reactions to an incident of 7 May when the French fired across the Mezong River upon a Siamese border town, killing two persons and wounding six. The Foreign Minister has requested the US to urge the French to prevent further incidents.

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THE AMERICAS

8. DOMINICAN REPUBLIC: Efforts to secure arms from Chile--The FBI has learned from a reliable source that a Colonel Rodolfo Bosch is now in Chile seeking arms and munitions for the Dominican Republic (which recently acquired a quantity of small arms and ammunition from Brazil).

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