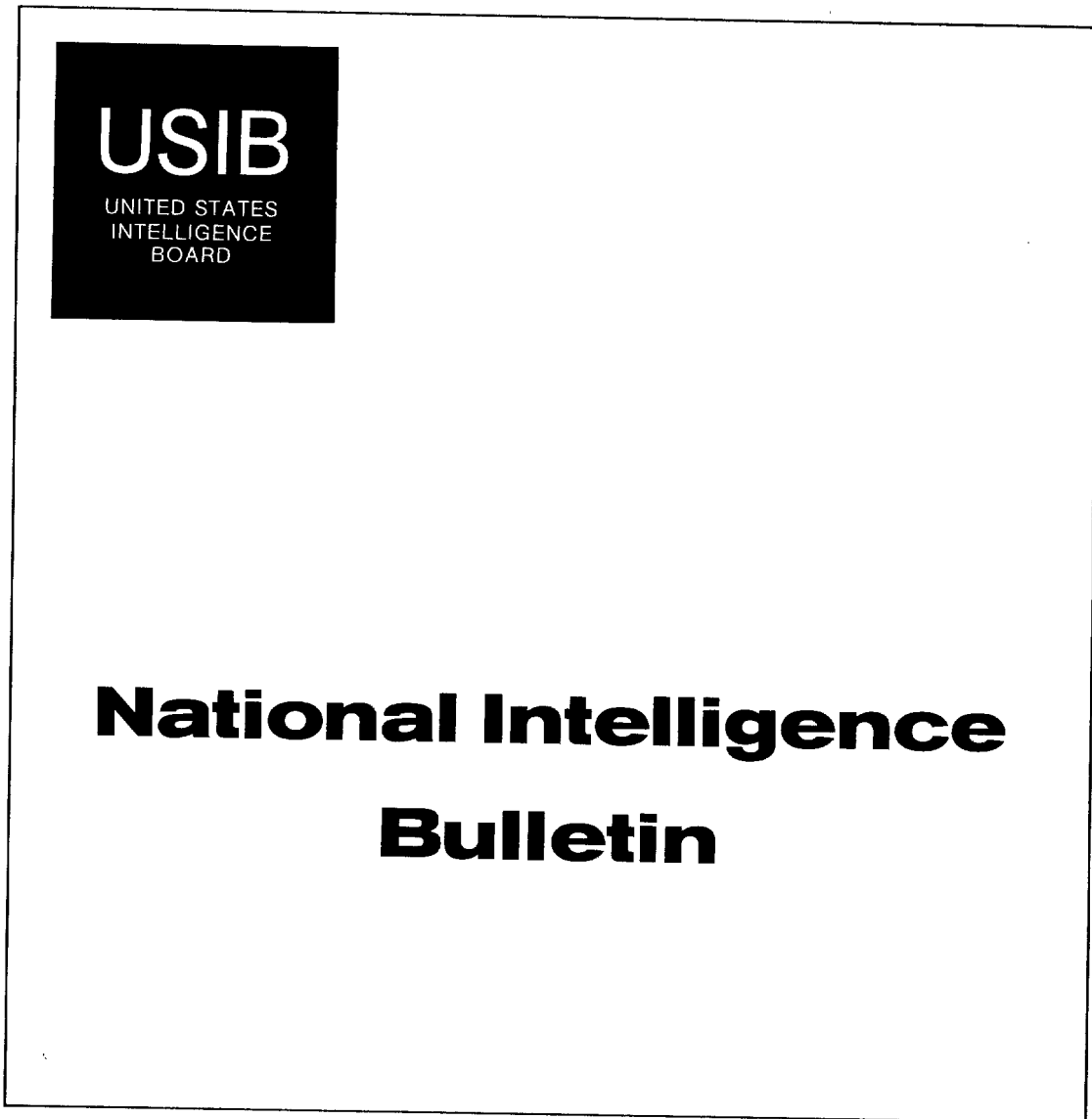


Top Secret



25X1

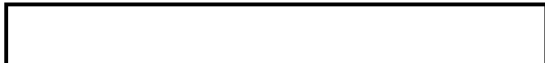


Top Secret

17 September 1974



25X1



№ 639

Page Denied

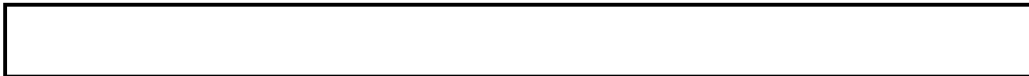
National Intelligence Bulletin

September 17, 1974

CONTENTS

TURKEY: Ecevit to ask party to ratify resignation.
(Page 1)

ETHIOPIA: Student demonstrations mark the beginning of trouble for the military regime. (Page 3)



CAMBODIA: The military situation. (Page 7)

CAMBODIA - SOUTH VIETNAM: Relations still strained.
(Page 8)

DENMARK: Election may be called soon. (Page 9)

FRANCE: Paris to maintain increased naval presence in the Indian Ocean. (Page 11)

FOR THE RECORD: (Page 12)

National Intelligence Bulletin

September 17, 1974

TURKEY

Prime Minister Ecevit will ask his Republican People's Party today to ratify his decision to resign and thereby end the coalition with the right-wing National Salvation Party. Ecevit told a press conference yesterday that if the party organization supports this move he will formally submit his resignation to President Koruturk and seek new elections.

Consultation with his party is largely a formality, although it does give Ecevit more time to consider his next move and even to reconsider his resignation if prospects for the formation of a successor government appear doubtful. Ecevit's break with the National Salvation Party seems final this time, but he has drawn back from the brink on at least one other occasion since the fragile alliance was formed last January.

The final straw apparently came when Deputy Prime Minister Erbakan, the National Salvation Party leader, refused to sign a decree making Ecevit an official representative of Turkey on his trip to Scandinavia scheduled for this week. Ecevit had earlier refused to name Erbakan to head the government in his absence; he planned to turn the job over to a cabinet member of his own party instead.

The collapse of the coalition will not automatically bring about elections. In fact, if Ecevit is to take advantage of his increased popularity resulting from the Cyprus operation, he will have to find support outside his own party in parliament for new elections. A majority vote is needed to call elections before those scheduled for 1977, and the opposition parties would be reluctant to approve a move that might well cost them seats in the national assembly.

Ecevit's other options include an effort to form a minority government or organize another coalition. He may find it as difficult to obtain support for a vote of confidence for a minority government as he would for

National Intelligence Bulletin

September 17, 1974

calling elections. In fact, Suleyman Demirel has said his Justice Party--the major opposition group--would vote against a minority government. Most speculation in Ankara indicates that Ecevit will attempt to form a coalition with the small right-of-center Democratic Party. Such a coalition would give Ecevit the needed majority in parliament, but the two parties would have to overcome significant ideological differences.

The Democratic Party may have already agreed to join a coalition or to support a move to call elections, although its leaders recently have sought to play down these possibilities. It took Ecevit three months to put together a coalition after the indecisive elections in October 1973, and there has been no significant political realignment since then.

If Ecevit's resignation is formalized in the next few days, the present government will continue to serve on a temporary basis until a new one is formed. Such an interim government would assure continuity, but it would lack the necessary support in parliament to approve new programs.

25X1

National Intelligence Bulletin September 17, 1974ETHIOPIA

Student demonstrations yesterday were quelled by troops without violence, but they may mark the beginning of trouble for the military regime from volatile youth and intellectuals.

According to press estimates, 3,000 students assembled on the university campus to hear student leaders call for a freely elected civilian government and castigate the military regime as scoundrels and unrepresentative of the Ethiopian people. Although the meeting was in defiance of a government ban, authorities ignored the demonstration. Earlier in the day, the police and army used water cannons to end a smaller sit-down demonstration on a street adjacent to the campus and prevented the students from marching toward the city center. Ethiopia's 18,000-member teachers' association, which supports the students, publicly demanded on Sunday that ex-emperor Haile Selassie be tried and that civilians be given an increased role in the present government.

Both teachers and students are reported to be opposed to the military committee's vaguely formulated plan to send some of the students to the countryside to serve on literacy and other developmental programs and to "educate the nation on the military committee's goals." [REDACTED]

25X1

[REDACTED] Registration for university and college students is scheduled for September 23-26, and the military will probably reveal more details of its plans for the students then.

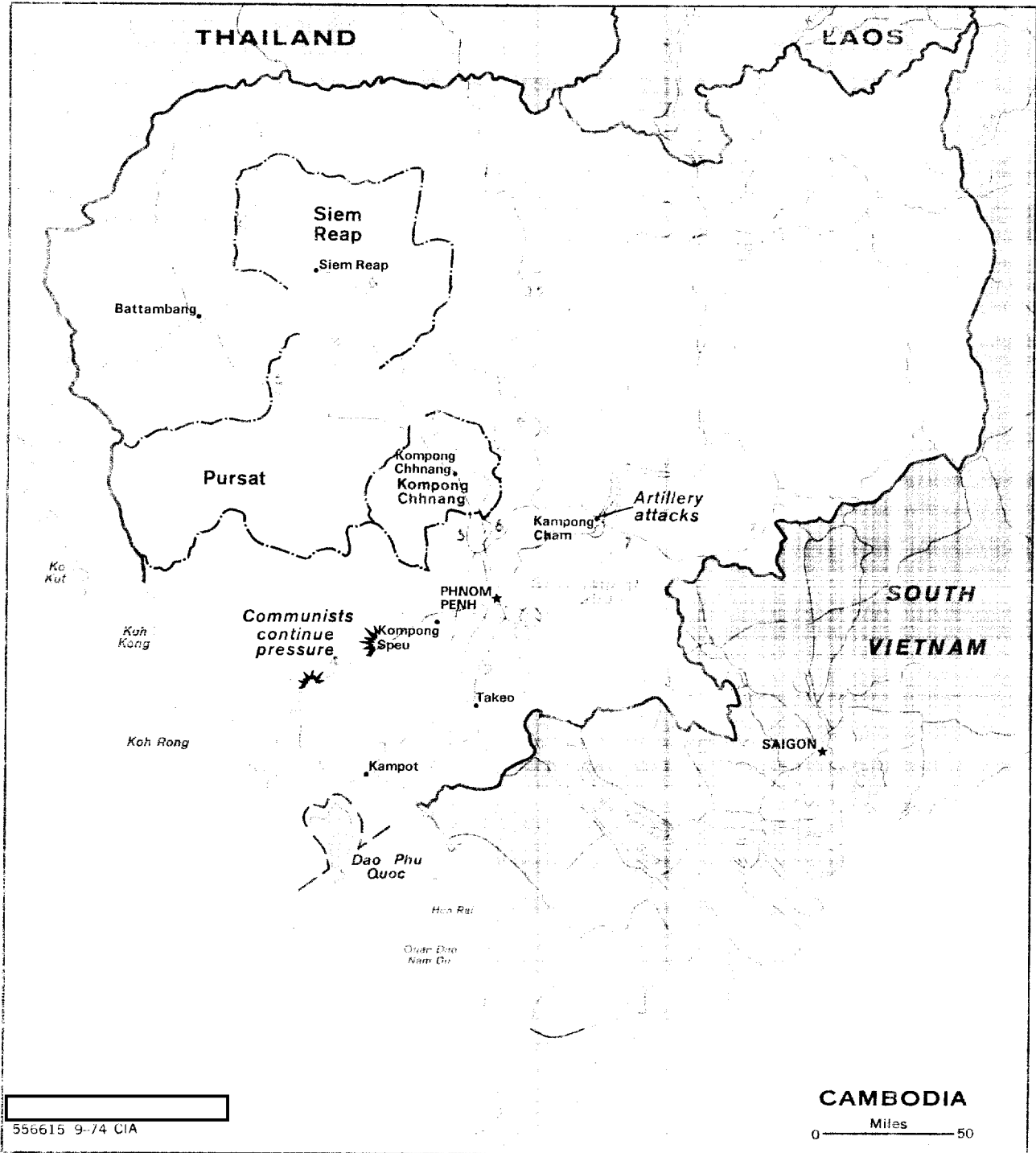
Regardless of what the military government decides, it is likely to have further trouble with the students. If it calls off the program, the university students in the capital will continue to be a volatile element. If it goes through with the program, it will tax its limited administrative capabilities and may face continuing opposition from the students. Students had few opportunities to register dissatisfaction under the Haile Selassie regime and drew little support from the people. They may now be emboldened by their prominent role. [REDACTED]

25X1

25X1

Page Denied

Next 1 Page(s) In Document Denied



25X1

National Intelligence Bulletin September 17, 1974CAMBODIA

The major government operation southeast of Phnom Penh has now stalled completely.

Government forces made some initial gains in the operation--which began on August 22--and succeeded in pushing insurgent units in this sector out of rocket range of Phnom Penh. Flooding, caution by government commanders, and the need to withdraw some units for rest cost the government the initiative, however, and have given the Communists time to move units into blocking positions. Battle lines in the area are now drawn along the high ground, and there is little prospect for any break in the stalemate in the near future. The operation has failed to gain the favorable publicity that government leaders hoped would benefit their cause at the UN.

Fighting continues to seesaw in other parts of the country. Government forces have launched clearing operations around several widely separated provincial capitals. The most successful of these efforts have been conducted in Siem Reap Province, where the government has increased its territorial holdings significantly, and in Kompong Chhnang and Pursat provinces, where over 20,000 civilians have crossed over to the government since early August.

The Communists, for their part, are keeping heavy pressure on government defenses along Route 4 southwest of the provincial capital of Kompong Speu. On September 15 and 16, they also hit Kompong Cham City with artillery fire for the first time in nearly a year. The shellings against Kompong Cham are probably an effort to keep government units tied down; there is little evidence that the Communists are planning any major ground attacks against the city. [REDACTED]

National Intelligence Bulletin September 17, 1974

CAMBODIA - SOUTH VIETNAM

Relations between Phnom Penh and Saigon remain strained following last week's squabble over offshore oil exploration.

The removal over the weekend of a floating oil rig licensed by Phnom Penh to test drill in waters off the Cambodian - South Vietnamese coast has eliminated the immediate cause of friction. The two sides have now agreed to negotiate their overlapping territorial claims. Phnom Penh, however, is facing a potentially severe domestic backlash. South Vietnamese heavy-handedness in issuing an ultimatum for the removal of the rig rankled many Cambodians, leading to protest demonstrations by students outside the South Vietnamese embassy late last week. Fearing that anti-Vietnamese sentiments in the Cambodian capital could build to a dangerous level, Saigon has evacuated some dependents of its officials.

To avoid the appearance of giving in completely to Saigon, Phnom Penh announced yesterday that new oil explorations have begun in an area north of the former test site, well within Cambodian waters. Phnom Penh probably hopes that this will be enough to placate disgruntled students and allow the dispute to be resolved quickly with no further damage to its relations with Saigon. The Lon Nol government remains dependent on the Mekong River supply corridor through South Vietnam. In addition, a continuation of open quarreling with its closest Asian ally could only harm Phnom Penh's position during the Cambodian credentials battle at the UN. [REDACTED]

25X1

National Intelligence Bulletin September 17, 1974

DENMARK

An eleventh-hour round of negotiations over Danish Prime Minister Hartling's economic program broke down on September 12, increasing the possibility that an election may be called.

The powerful Social Democrats, whose support is crucial to maintaining labor-government harmony, continue to balk at the government's tax reform program. Meanwhile, the non-Socialist parties, who desperately want to avoid an election at this time, are preparing an offer to Hartling that would guarantee enough support for passage of the tax bill. Parliament will convene on September 17 for further consideration of the program.

The non-Socialist plan amounts to persuading Hartling either to accept the support of the Progress Party, or to agree to an abstention on the crucial vote by the Radical Liberal Party. Hartling has been reluctant to talk to Progress Party leader Mogens Glistrup and may not agree to the alternative, which would alienate the Social Democrats and thereby worsen prospects for wage negotiations next spring.

The special parliamentary consideration of the bill was called by Hartling to enact the third and final phase of the government's economic reform program. Disagreement over earlier phases of the plan nearly toppled the government twice this year.

The latest phase of the program promises a reduction in personal income taxes, to be offset by cutbacks in social and educational programs, and a 5-percent increase in the value-added tax. The Social Democrats, Denmark's largest party, have insisted that reductions in defense and agricultural expenditures also be considered.

An election at this time would benefit both Hartling's Moderate Liberals and the Social Democrats, and would leave the non-Socialist bloc the principal losers. Latest polls indicate that Hartling's closest allies, the Center Democrats, along with the Radical Liberals and Conservatives, would lose heavily. Although the odds that an election will be called increase with each phase of the controversy, Hartling may elect to try to muddle through in order to avoid a general tipping of the political balance toward the left.

Page Denied

National Intelligence Bulletin

September 17, 1974

FRANCE

The French navy is sending another squadron of ships to the Indian Ocean next month. The aircraft carrier Clemenceau carrying both planes and helicopters will be accompanied by a frigate, a destroyer, and two oil tankers. A detachment of marines reportedly will be included in the force.

According to news reports, the move reflects a growing French concern that the Indian Ocean, through which oil tankers sail to Europe, not be left in sole control of the US and the USSR. The marine unit is trained in quick intervention tactics and could be available in the event of any local uprising threatening oil supplies from the Persian Gulf.

In late April of this year, Paris sent a squadron of three ships, led by the guided-missile frigate Duquesne, to the Indian Ocean for a cruise of about six months. The carrier-led force apparently will replace the squadron now on patrol, which suggests that Paris intends to maintain indefinitely an increased naval presence in the Indian Ocean.

The French navy has one helicopter carrier and two aircraft carriers in the fleet. The Clemenceau and its sister ship, the Foch, are assigned to the Atlantic squadron. French naval forces normally stationed in the Indian Ocean include a command ship, three destroyer escorts, five patrol boats, eleven landing craft, and some maritime reconnaissance aircraft. [REDACTED]

25X1

National Intelligence Bulletin

September 17, 1974

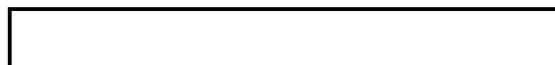
FOR THE RECORD

Italy: July trade data suggest that the sharp deterioration in Italy's trade balance earlier this year has been checked. The \$918-million deficit in July brought the average monthly trade shortfall in May through July to \$916 million, compared with an average of almost \$1.2 billion in the previous three months. The improvement stems largely from slower import growth, reflecting in part the impact of the import deposit scheme implemented in early May. Exports have continued to expand, despite the growth slowdown in industrial countries, because sales to developing countries and East European countries have been particularly rapid.

25X1

Top Secret

Top Secret



25X1