



# The President's Daily Brief

*October 1, 1975*

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~~Top Secret~~ 25X1

Exempt from general  
declassification schedule of E.O. 11652  
exemption category, 5(B)(1)(2),  
declassified under on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

October 1, 1975

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

LEBANON

An attack yesterday on a bus traveling through a Christian suburb and the brief skirmishing that followed could trigger a resumption of heavy fighting in Beirut. The eight persons killed in the bus incident reportedly belonged to the Druze sect whose members have tended to side with the Shia Muslims.

Other parts of the capital reportedly have been quiet. More stores and banks reopened yesterday, and most newspapers were on the streets. Lebanese security authorities said that some shooting was still going on near Tripoli, but they were hopeful the army would be able to bring that situation under control.

Both sides almost certainly have been using the lull in the fighting to rearm their forces.

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The national reconciliation committee met again yesterday. The session, which focused on economic matters, went smoothly.

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GREECE-TURKEY

*Both sides are awaiting a Congressional decision on the lifting of the US arms embargo against Turkey. Protests will come from one side or the other, whatever Congress decides.*

Should the embargo be sustained, the Turks probably would request an immediate reduction in US military personnel in Turkey. They would likely restrict remaining US personnel, and might evict the US altogether from those installations where operations already have been suspended. Initially, Turkey would maintain its NATO ties, but if the alliance failed to support Ankara militarily and politically in the longer term, the Turks might begin to withdraw from the NATO military structure and look elsewhere for weapons.

Domestically, retention of the embargo would become an immediate liability for Prime Minister Demirel in the election campaign now under way. It could also lead to a deepening of anti-American sentiment and possibly to serious civil disturbances.

A partial lifting of the embargo probably would be sufficient to avoid any further dismantling of US operations in Turkey. Ankara would still insist, however, on renegotiating its defense agreement with the US. Frustration and ill feelings that have accumulated since last February probably would lead to some criticism as well as tough bargaining. Ankara probably would insist on greater control over joint military activities, more money for use of the facilities, and access to US arms and supplies as a hedge against another embargo.

Meanwhile, we can expect anti-American demonstrations in Greece and Cyprus should the embargo be lifted. Greek officials, in fact, have begun to prepare the populace for an announcement that the embargo is being eased. Greek police probably have been ordered to protect US facilities.

On Cyprus, passions are at a higher pitch, and the government's capability and determination to prevent violence is less certain. Greek Cypriot officials are urging moderation, but demonstrations in Nicosia could become violent.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

PORUGAL

*Prime Minister Azevedo announced early this morning that military occupation of radio and television stations in Lisbon will end today. He said his goal of curbing irresponsible broadcasting has been achieved.*

The Prime Minister made it clear that he will not hesitate to use similar emergency measures if needed in the future. He intends to keep a close eye on the media and has prohibited the broadcast of any political communiqüs that have not been cleared through the information ministry.

The church-owned radio station that had been taken over by extreme leftists several months ago will remain for now under government control. Workers at the station apparently refused to submit to the occupation and the station was taken off the air yesterday by army commandos.

The government's control of the stations has been uncertain since it ordered the occupation on Monday. The government could not depend on all the security troops, some of whom sided with the leftist radio workers. Another problem was the half-hearted support of the head of the security forces, General Otelo de Carvalho, who was apparently trying to play both sides on the issue.

The test will now be whether the stations follow Azevedo's guidelines.

The anti-Communist political parties showed during this affair that they can attract more popular support to Azevedo than the extreme left can muster against him. About 12,000 Socialist and Popular Democratic demonstrators marched in Lisbon yesterday, shouting their support for Azevedo and demanding restoration of discipline in the armed forces.

Leftist protests against the occupation on Monday were minor.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

SPAIN

*Protests over the execution of five Spanish terrorists continue to sweep across Europe, but Spain itself remains relatively calm.*

The executions have loosed deeply felt, long pent-up emotions among a wide variety of Europeans who see the Franco regime as the last remnant of fascism on the continent. East and West Europeans have voiced their outrage through official statements, withdrawal of ambassadors, mass demonstrations, and violence.

The governments of Western Europe for the most part have not led the protest, but rather have reacted to rapidly building popular pressure. These governments will try to limit the damage to their long-term relations with Spain, but any effort to establish closer relations with the Franco regime is out. One of the first casualties on the diplomatic front probably will be the negotiations scheduled to begin this month between Spain and the EC to establish closer economic and commercial ties.

Spain, meanwhile, has rejected all of this foreign criticism and, so far, has faced little protest at home. Only in the Basque provinces has there been a significant effort to stir up mass protests, and even there a general strike apparently has fallen short of its organizers' expectations.

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ARAB STATES

Jordan [redacted] 25X1  
reached agreement with the Saudis.

[redacted] 25X1  
on a joint proposal to narrow the deep rift between Egypt and Syria. 25X1

[redacted] 25X1  
proposal would involve 25X1  
first persuading the Egyptians and 25X1  
the Syrians to stop their propaganda war and later encouraging a dialogue between them.

The Jordanians and the Saudis [redacted] believe 25X1  
there is no point in attempting to force the Egyptians to renounce the disengagement accord, as Syria has urged, and that a search should be made for areas of agreement on which the two countries could hold discussions. [redacted] 25X1  
[redacted] 25X1

It is questionable whether either Syria or 25X1  
Egypt will be amenable to the suggested reconciliation. [redacted] 25X1  
[redacted] 25X1

Sadat is not likely to cave in first. He would 25X1  
listen to a [redacted] approach, but he is unlikely to 25X1  
heed [redacted] appeals for calm and an end to propaganda [redacted] 25X1  
[redacted] 25X1

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Sadat [redacted] 25X1  
[redacted] 25X1

takes the position that other Arab governments must cease the propaganda warfare they initiated before he will make a move toward reconciliation.

FOR THE PRESIDENT ONLY

*FOR THE PRESIDENT ONLY*

NOTES



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The Ethiopian military council yesterday declared a state of emergency in Addis Ababa in an attempt to halt spreading strikes.

The walkouts may be the beginning of a general strike instigated by labor leaders as part of an organized protest against the military rulers. Workers and teachers have become bolder recently in their criticism of the council. They have called for a prompt return to civilian rule and a restoration of democratic liberties, as well as redress of specific grievances. A long strike could pose serious problems for Addis Ababa, which already faces shortages of fuel and food staples. The council's stern measures may coerce the strikers to resume work before the shortages become critical, but at the price of further eroding the government's support among influential segments of the population.

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# The President's Daily Brief

*October 2, 1975*

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Exempt from general  
declassification schedule of E.O. 11652  
exemption category, 5B(1)/(2)/(3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

October 2, 1975

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

PORUGAL

*Prime Minister Azevedo and his allies  
in the anti-Communist political parties  
appear to be moving toward a showdown  
with leftist political groups and their  
sympathizers in the military.*

The Socialist Party continues firmly to support Azevedo's efforts to curb far-left and Communist influence in the media and to restore military discipline. It joined the Popular Democratic Party last night in alerting supporters to be ready to resist any anti-government action during a leftist rally. The rally took place without serious incident, but a number of left-wing soldiers joined the demonstrating workers.

Earlier yesterday, leftist troops defied Azevedo's orders to withdraw from a radio station where they had sided with the Communist-influenced workers after occupying the station on Monday. They finally agreed to leave after Azevedo promised that the police--generally considered more conservative--would not be replacing them.

Azevedo has few units in the Lisbon area that he can rely on in the event of serious trouble. The commandos at Amadora, just west of the capital, and the paratroopers at Tancos to the north are the most reliable. These units are apparently providing most of the troops for the new intervention force that is still being organized.

The government also appears to be trying to discredit, and eventually to remove, General Otelo de Carvalho, commander of the Lisbon military region. Carvalho marched to the presidential palace with extremist demonstrators Monday night where he was called upon by the crowd to take over the government. According to a story circulating in Lisbon, Azevedo put an end to the episode by telling Foreign Minister Antunes to "throw the fool out." The story, whether true or not, is undermining Carvalho's reputation.

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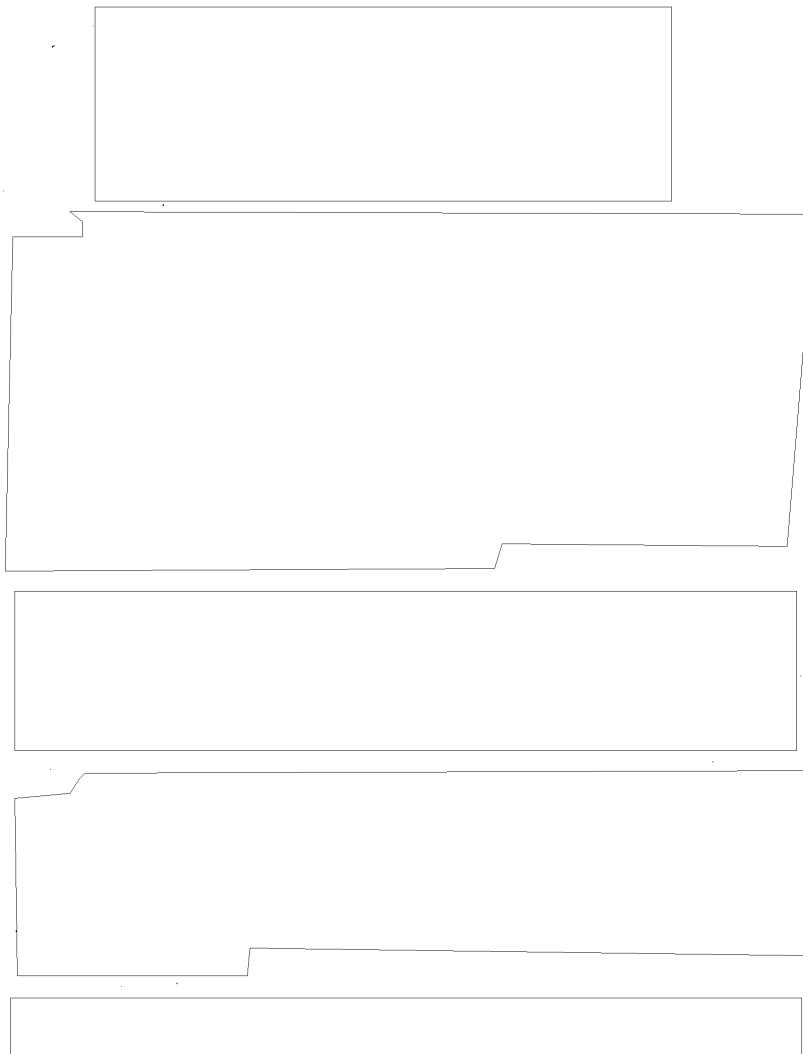
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The Soviets are giving high visibility treatment to President Costa Gomes' visit to Moscow. The President's arrival was carried live on Moscow television, and he was greeted by President Podgorny, Foreign Minister Gromyko, and Defense Minister Grechko. Soviet press references to the "summit level" of the meetings strongly suggest that Costa Gomes will see party leader Brezhnev.

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EGYPT-ISRAEL



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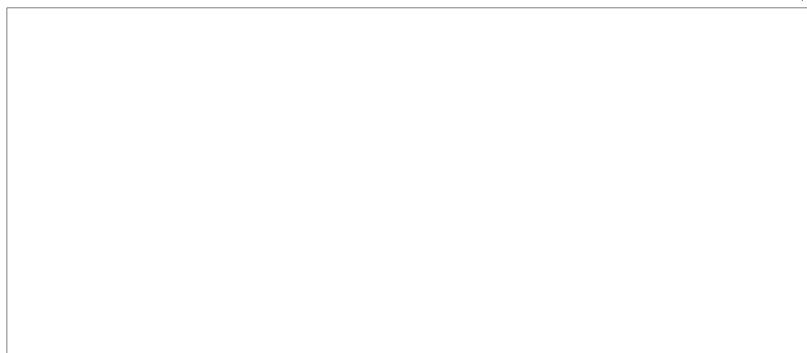
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USSR-POLAND



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NOTE

*The future of Lebanon's national reconciliation committee now seems in jeopardy.*

Phalangist leader Jumayyil and leftist leader Jumblatt, both members of the committee, each accuse the other of responsibility for the brief flare-up in fighting on Tuesday that followed the killing of several members of the Druze sect by Phalangists. Jumblatt, who is a Druze, is demanding that the Phalangists surrender those responsible for the killings. The US embassy doubts that Jumblatt will ever again sit in the same room with Jumayyil.

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# The President's Daily Brief

October 3, 1975

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Exempt from general  
declassification schedule of E.O. 11652  
exemption category, SR(1)(2),(3)  
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the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

October 3, 1975

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Notes: EC-Portugal; Morocco - Spanish Sahara (Page 5)

At Annex we present a discussion of West German Chancellor Schmidt's economic and political policies

*FOR THE PRESIDENT ONLY*

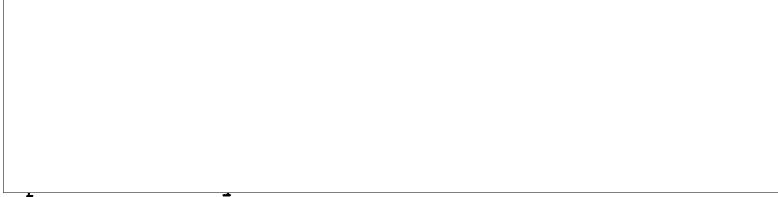
*FOR THE PRESIDENT ONLY*

LEBANON

*The security situation in Beirut improved yesterday after a night of clashes and sniper fire between Christian and Muslim militiamen in the southern suburbs. Lebanese security forces took over positions of the Christian Phalanges Party in those areas and were attempting to work out a similar agreement with Muslim and leftist elements.*

Palestine Liberation Organization officials reportedly blame the fedayeen "rejectionist" organization, the Popular Front for the Liberation of Palestine-General Command, for the incident that began the most recent fighting and wave of kidnapings. The "rejectionists" and the Lebanese leftists apparently believe that continued violence will result in the establishment of a regime more sympathetic to their interests.

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The future of the national reconciliation committee continues to be in doubt. Moderate Muslim leader Saeb Salam has joined Christian moderate Raymond Edde in announcing that he is reconsidering his membership in the group. Their move is apparently part of an effort to force the resignation of President Franjiyah--a step both have publicly called for. Salam indicated that the move was not aimed at either Prime Minister Karami or Interior Minister Shamun.

Edde and Salam are members, along with Karami, of a centrist alliance of Lebanese parliamentary deputies. Edde, as a Christian Maronite, considers himself a candidate to succeed Franjiyah should the latter resign before his term expires next August.

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*FOR THE PRESIDENT ONLY*

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Because of Franjiyah's close identification with the hard-line Phalangist position, Lebanese moderates, both Christians and Muslims, see the resignation of the President as a necessary step in the achievement of a compromise whereby the Christians would cede some political and economic power to the Muslims.

Without fanfare, Prime Minister Karami has given the army a larger role in preventing further flare-ups. He is moving cautiously, however, to avoid the political controversy that abrupt military intervention would excite. Lebanese Muslims believe that the army, whose senior officers are mostly Christian, would inevitably side with the Phalangists if it became directly involved in any further fighting. The army's new mission is restricted to protection of main lines of communication and relief of civilian security forces stationed in outlying areas to free them for service in enforcing the cease-fire in Beirut and Tripoli.

*FOR THE PRESIDENT ONLY*

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EGYPT-USSR

*Our embassy in Cairo has provided an assessment of President Sadat's motives in so harshly attacking the Soviets, as well as a review of the relative strengths and weaknesses of the Egyptians and the Soviets in their dealings with each other.*

Sadat's distrust of Moscow has clearly reached the scale of a personal phobia. He has concluded-- and said as much publicly--that the Soviets not only want to replace him as president, but also that their policy of pressure on Egypt during the past ten years has been a contrived strategy to prevent Egypt from becoming strong and therefore immune to Soviet pressure. As long as Sadat is in power, Egypt is unlikely to enter into new undertakings with the USSR if these require acceptance of Moscow's good faith. The exception would be if the US should let him down. In that case, Sadat might have to eat crow.

The question that intrigues diplomatic observers is what Sadat expects to gain--other than enhanced popularity--from constant public irritation of the Soviets.

Without adequate spare parts for Egyptian military equipment supplied by the Soviets, the armed forces would soon be, or may already be, in a bad way. Egypt's military imbalance with Israel is already unfavorable, and reports of massive US arms aid to Israel have created major problems for Sadat.

As Egypt's military inferiority becomes more obvious, Sadat's protestations that he has not made a separate peace will lose any semblance of credibility. Potentially more dangerous is the probable adverse reaction within the Egyptian military to a continuing shortage of new arms and spare parts in the face of Israel's growing power.

[redacted] the USSR imports large quantities of Egyptian agricultural and industrial products and that a great many poor Egyptians would be hurt if the Soviets were to stop these imports.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

[redacted] the Soviet market  
is important for Egyptian cotton [redacted] if bi-lateral trade were to cease, Cairo would have to seek essential raw materials, now obtained from the USSR and Eastern Europe, in hard currency markets. This would be a severe blow to Egypt's already dismal foreign currency situation.

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The Soviets pose an internal threat through their influence with both underground communists and the labor and student movements. This is, however, a threat that Egyptian security authorities monitor carefully. Party members and communist-influenced organizations are not believed to be sufficiently influential to threaten Sadat on their own, but they could play a crucial role in exploiting social and economic grievances.

In the face of this very substantial Soviet capability to damage Egypt, what weight can Sadat bring to bear on the USSR to prevent further Soviet action and still obtain what he needs from Moscow?

There is first Egypt's pivotal role in Arab affairs and in the Arab-Israeli conflict. Sadat probably reasons that, unless the Soviets decide to opt out of the Middle East, they cannot risk a complete rupture with Egypt.

Sadat has also been careful not to eliminate the most important remaining Soviet interest--continued use of naval facilities at Alexandria. The Soviets enjoy no other port facilities in the Mediterranean comparable to those in Alexandria and are presumably willing to put up with verbal abuse in order to keep them.

Finally, the Soviets would appear to have a strong interest in maintaining the most extensive presence they can inside Egypt in the hope that, by design or by accident, they will soon see Sadat replaced.

On balance, both parties have a considerable interest in avoiding a further deterioration of relations.

*FOR THE PRESIDENT ONLY*

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NOTES

*EC foreign ministers are expected to approve on Monday a program of economic assistance for Portugal.*

The ministers have invited Portuguese Foreign Minister Antunes to Luxembourg on Tuesday to discuss an initial aid package that will probably total about \$200 million in loans from the European Investment Bank over a two-year period. The loans will be tied to specific project proposals. EC recognition of Lisbon's moves toward "pluralist democracy" is likely to pave the way for assistance from West Germany and the Netherlands.

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ish Sahara		25X1
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*FOR THE PRESIDENT ONLY*

## FOR THE PRESIDENT ONLY

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## WEST GERMANY

*During his first 18 months in office, Chancellor Schmidt established himself as the most active European leader in international diplomacy. Today, however, economic problems are causing some anxiety, and Schmidt has had to pay attention to domestic concerns. German voters, accustomed to sustained economic growth and low unemployment, are increasingly disturbed that Schmidt has not yet reversed the recession. Unemployment remains at 1.1 million, the highest in 20 years, and could reach 1.5 million this winter. Despite the economic problems, Schmidt's Social Democrats and their coalition partners, the Free Democrats, have a solid majority in parliament. Consumer prices in August were only 5.9 percent higher than a year ago, the lowest in the industrialized world, and there are few signs of social unrest.*

Schmidt's program to get the country's stagnant economy on the upswing is a mixed bag. In August, he proposed anti-recession measures by ticketing \$2 billion for housing and construction. At the same time, he began to look for ways to cut the federal deficit which will reach about \$16 billion this year--equal to three percent of the GNP--and threatens to increase again next year. He is seeking parliamentary approval for selective tax increases and limiting spending increases to cut the deficit to \$4 billion by 1979.

The opposition Christian Democrats argue that this belt-tightening is not enough but, so far, have been unwilling to specify what further cuts they favor. Their reluctance stems partly from their fear that additional cuts might have to come out of the defense budget and social welfare programs--areas that could cost them votes. The Christian Democrats reject Schmidt's proposal to increase taxes on wages next year and a 2-percent increase in the value added tax to 13 percent in 1977. They want tax breaks for industry to stimulate investment and employment.

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FOR THE PRESIDENT ONLY

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Political Side-Effects

Conflicting pressures for austerity and pump-priming complicate Schmidt's standing within his party and with the trade unions. The party's left wing is disturbed that the government's tight budgetary policy continues to postpone implementing the social reforms promised by Schmidt's predecessor, Willy Brandt. Trade union leaders at present support Schmidt's austerity program, largely because the government also opposes wage and price controls, but if tax breaks are granted to industry this could unleash demands for wage increases from union rank and file.

The Chancellor may face some criticism from the left wing at the annual party congress in Mannheim next month. But with the support of Brandt, who now seems content with his role as party chairman, Schmidt should encounter no serious challenge to his leadership. His popularity with voters is higher than that of the party, which lost seats in all six state elections this past year, including Bremen last Sunday. The losses would have been even greater were it not for Schmidt's dynamic leadership. Most Social Democrats realize that Schmidt's conservative style lubricates the coalition with the Free Democrats, and that he must head the party's ticket next year if the Socialists are to win.

Relations with Washington

The Chancellor believes that his chances for reelection will depend, to a large extent, on an upswing in the US economy that presumably will trigger a corresponding improvement throughout the industrial world and increase demand for German goods. Schmidt accordingly favors proposals to increase coordination among the four or five leading Western industrial states on fiscal and monetary policy, but he wants to avoid institutional forums that probably would antagonize the smaller members of the European Community.

While in Washington, he may want to explore whether US officials plan any further anti-recessionary measures. He feels that Washington is overly concerned with inflation and is following excessively restrictive monetary and fiscal policies.

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*FOR THE PRESIDENT ONLY*

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The Schmidt government views high US interest rates as a harbinger of future measures that will slow the pace of US expansion. Additionally, he will contend that the gap between US and West German interest rates--6.8 percent versus 3.8 percent for respective short-term rates--is helping to frustrate Bundesbank attempts to stimulate the economy.

Cuts in the German discount rate have done more to trigger capital flows out of marks into dollars than to boost domestic investment. This phenomenon is part of the general problem of the volatility of the dollar-Deutsche mark exchange rate, a problem of considerable concern to the Chancellor.

Any renewed calls by Schmidt for synchronizing recovery efforts, however, will ring hollow, given his intention to raise taxes and cut government spending for next year. For the moment, his program reflects a judgment that the long-run dangers of large government deficits are greater than the political and economic costs of the current recession. He counts on Washington to take the lead in anti-recession policy. [redacted]

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Schmidt also views the financial difficulties of New York City with trepidation. He fears that a default on NYC bonds could send shock waves throughout international capital markets. Collapse of the Herstatt bank last year and its repercussions still are fresh in his mind. The Chancellor will diplomatically seek information on Washington's plans.

Schmidt devotes little attention to defense issues. He and Defense Minister Leber, nevertheless, share a strong conviction that nothing should be allowed to jeopardize the security tie to the US. This factor is undoubtedly playing a role in Schmidt's attitude toward Washington's demand for another offset agreement--a "bitter pill," in his view, given the tight budget. The Chancellor wants to avoid the "rigid" formal agreements of the past and, according to one report, may propose in Washington that future arrangements be placed on a multilateral basis, including other NATO allies.

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*FOR THE PRESIDENT ONLY*

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Bonn would also voluntarily offset some of the cost of stationing US troops in the Federal Republic by buying US weapons and depositing official funds in the US. The last two-year bilateral agreement, which expired in June, made such actions obligatory.

Bonn does not always see eye to eye with the US and other West European countries on the energy problem. Schmidt supported Washington on creating the International Energy Agency. But like most of their neighbors, the West Germans want to avoid confrontation politics with OPEC. At Schmidt's direction, Bonn officials are reviewing policy on commodity markets and development aid to ensure fruitful dialogue with the oil and raw material producers at the energy conference in Paris this month.

As far as relations with the East are concerned, Schmidt conducts Ostpolitik not on the basis of the visionary political goals of Brandt, but on a cold calculation of the state of Bonn's relations with Moscow and its allies. This does not mean that the Schmidt government has lost interest in humanitarian and security issues. The Chancellor has shown a high degree of flexibility in maintaining the appearance of progress with the East Germans and Soviets on Berlin matters, and with the Poles on the repatriation of ethnic Germans.

His underlying concern is to minimize political friction in order to foster a favorable climate for trade with the East. He emphasized in his opening speech to parliament the growing importance of Eastern trade for the German economy. The Eastern countries now purchase nearly 10 percent of Germany's exports and account for a large share of the nation's trade surplus.

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# The President's Daily Brief

October 4, 1975

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~~Top Secret 25X1~~

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Angola: With about six weeks to go before the scheduled date for independence, there has been a lull in the civil war among the territory's three rival liberation groups. (Page 3)

Notes: USSR; USSR; Syria-Israel; Lebanon; Poland; Azores-Madeiras; USSR (Page 5, 6, and 7)

At Annex we discuss reported Moroccan plans to launch military operations against Spanish Sahara.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**TURKEY-GREECE-CYPRUS**

*Reaction to the partial lifting of the US arms embargo against Turkey has been relatively subdued among both Greeks and Turks. Turkish Foreign Minister Caglayangil termed the action on the embargo a positive development but ruled out any immediate change in the status of the deactivated US installations. Any such move will apparently hinge on negotiations--as yet unscheduled--for a new US-Turkish defense cooperation agreement.*

The Turks undoubtedly still hope for a complete lifting of the embargo. The Demirel government's cautious reaction yesterday probably reflected not only a desire to avoid overplaying its hand prior to negotiations for a new defense agreement but also its reading of the political mood as the senatorial elections on October 12 draw near.

Demirel presumably hopes that even a partial lifting of the embargo will be viewed as a foreign policy success for his government. He apparently remains wary, however, of appearing to kowtow to the Americans. Speaking at a campaign rally, opposition leader Ecevit severely criticized the US action, especially the provision for consultation on opium-poppy controls.

Reaction in Greece and Cyprus was also restrained. Significant anti-US demonstrations failed to materialize in either Athens or Nicosia. Both the Greek and Greek Cypriot media presented essentially factual reports of the voting in the US Senate and the bill. Greek and Greek Cypriot government officials expressed regrets over the resumption of arms shipments to Turkey, but said they understood that those who supported the move believed it would lead to progress toward a settlement of the Cyprus issue.

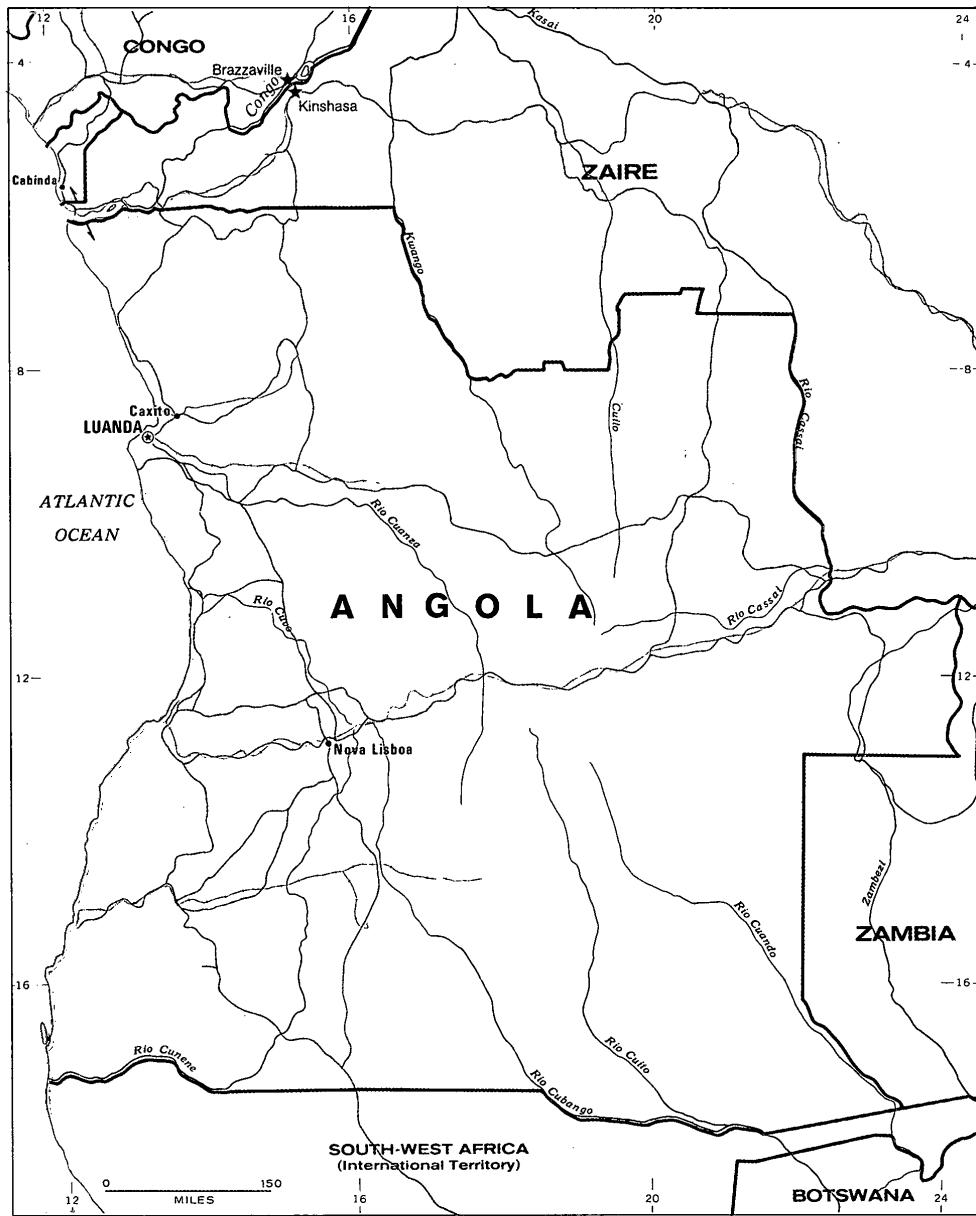
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**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

Although action on the embargo removes a major impediment to progress on the Cyprus problem, no movement is likely until the Turks can assess the results of their elections. Should Demirel's party do well or hold its own as compared with its 1973 performance, chances for movement toward a Cyprus settlement would improve. Even then, however, progress would probably be slow, given the difficulties in getting meaningful negotiations under way and Turkish problems of coordinating policy with Turkish Cypriot leader Denktash. Should Demirel's party falter in the elections, his capacity to promote a Cyprus settlement would be severely limited.

*FOR THE PRESIDENT ONLY*



## FOR THE PRESIDENT ONLY

## ANGOLA

*With about six weeks to go before the scheduled date for independence, there has been a lull in the civil war among the territory's three rival liberation groups.*

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[redacted] the National Front for the Liberation of Angola [redacted] Front forces in the north have not moved forward significantly since mid-September when they retook the important junction town of Caxito, some 40 miles northeast of Luanda. They are, however, probing outlying defenses of the Popular Movement for the Liberation of Angola.

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In central Angola, forces of the Popular Movement reportedly are moving toward Nova Lisboa, the headquarters of the National Union for the Total Independence of Angola. [redacted] a combined force of the National Front and the National Union has set out to meet the advance, and some clashes reportedly have taken place west of Nova Lisboa and in southern Angola as well.

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The liberation groups have been waiting to launch military operations in the Nova Lisboa area until refugees in the city could be evacuated. The airlift from Nova Lisboa ends today.

Portuguese evacuation efforts will now be concentrated in Luanda and several small ports along the southern and central coast. Officials in Lisbon estimate that 140,000 whites have been airlifted from the territory since early August, and that another 140,000 refugees are still waiting to leave.

Lisbon apparently will soon accelerate the withdrawal of its troops from Angola. The Portuguese high commissioner states that 20,000 troops are still in the territory, although most of them are support rather than combat forces. The Portuguese intend to have all troops out of Angola by independence day, November 11.

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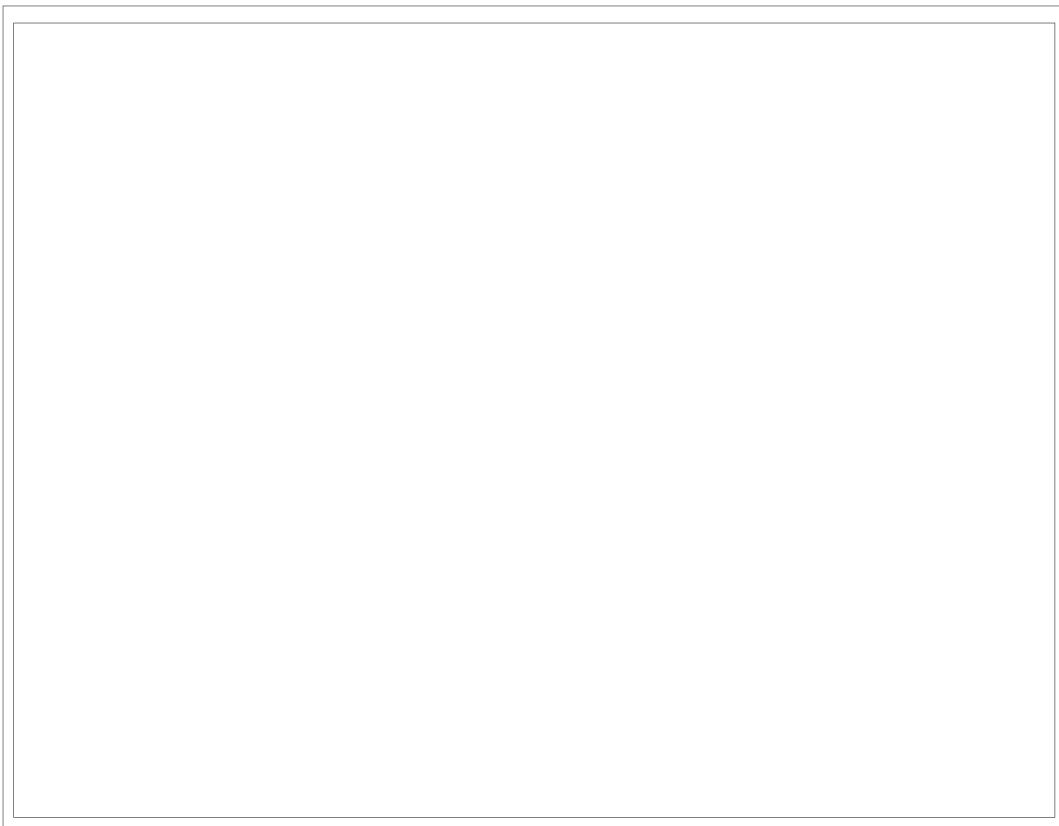
The high commissioner professes to be optimistic that the Popular Movement and the National Union will come to a political accommodation, perhaps by late October. So far, however, the Portuguese have been unsuccessful in their efforts to promote such an arrangement. The Popular Movement still holds the advantage both politically and militarily and shows no willingness to make concessions to anyone. Leaders of the Movement expect that on November 11 Lisbon will have no alternative but to turn over sovereignty to them.

At this stage, probably only a major military effort by the National Front and the National Union that would subject the Popular Movement to intense and sustained pressure could make the Movement accept a coalition government. Current military operations of the Front and Union do not indicate the likelihood of such an effort.

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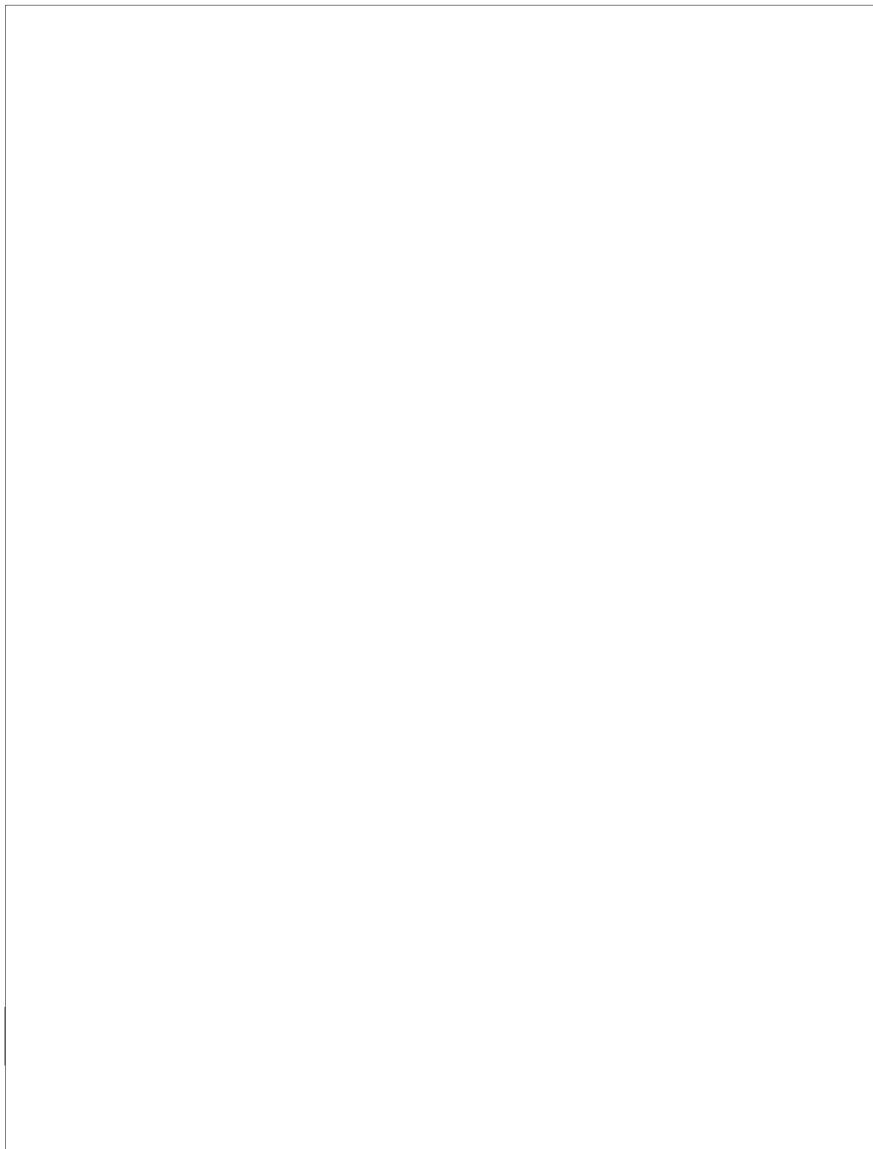


*FOR THE PRESIDENT ONLY*

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*The security situation in Lebanon improved further yesterday, although minor clashes continued in and around Beirut and in the Tripoli area. Four unidentified men fired indiscriminately into the main lobby of Beirut airport early this morning, reportedly killing or wounding a number of people. Beirut radio claims security forces have "contained the operation."*

*The five-day Muslim holiday, which begins this weekend, may help ease the security problem. Because of the holiday, the national reconciliation committee will not meet again until October 9.*

(continued)

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

\* \* \*

*Uncertainty over future price increases and continuing shortages of consumer goods in Poland are continuing to generate serious problems for the Gierek regime.*

An official of the planning commission recently stated that food prices will be raised "considerably" as of January 1, 1976. Stories about the price increases and about strikes are rapidly spreading both in the bureaucracy and among the people. The Gierek regime is aware of the popular discontent and is working hard to keep the situation within bounds, but tensions are running high, both in the leadership and among the people, and our embassy in Warsaw believes "a spark in the right place" could have serious consequences.

\* \* \*

*Independence movements remain active in both the Azores and the Madeiras, but the replacement of the pro-Communist Goncalves regime in Lisbon has sapped much of their momentum.*

Having gained some concessions from Lisbon, Azoreans now appear to be turning their attention to more traditional partisan political activity. Public debate among political parties has increased, and the press has given broad coverage to a dispute among the three principal parties over proposals for autonomy. In the Madeiras, most islanders seem to prefer autonomy; independence sentiment has been exaggerated by the mainland press. Madeirans would apparently move for independence only if there should be a resurgence of Communist influence in Portugal or the denial of a satisfactory arrangement for autonomy.

\* \* \*

*On Wednesday evening, Soviet TV viewers were treated to a "prime-time" telecast of the Ali-Frazier heavyweight match.*

The fight was presented purely as a sporting event, totally and refreshingly devoid of propaganda content, reflecting a relaxed attitude toward a Western "happening" that was rare just a few years ago.

**FOR THE PRESIDENT ONLY**



*FOR THE PRESIDENT ONLY*

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MOROCCO - SPANISH SAHARA

*The following memorandum on reported Moroccan plans to launch military operations against Spanish Sahara was approved by the intelligence community yesterday.*

[redacted] King Hassan, under pressure from the military, has decided to invade Spanish Sahara [redacted]

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[redacted] The King is reportedly confident the invasion will succeed because he believes that most of Spain's troops are poorly trained and will not fight.

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King Hassan has pursued a high-risk policy on Spanish Sahara for some time. Last August, he reiterated his intention to acquire Spanish Sahara before the end of the year, with force if necessary. Although he promised then to await an advisory opinion from the International Court of Justice on Moroccan-Mauritanian claims to the territory, he may now have decided to act in a moment of what he perceives as Spanish weakness. There is also increasing anxiety in Rabat that the Court's decision may be ambiguous or unfavorable to Morocco and that the report of a fact-finding mission of the UN Committee on Decolonization will favor independence for the territory. Finally, it is possible that Hassan has concluded that armed intervention will provoke favorable international mediation. To date most Moroccans have supported Hassan's position on Spanish Sahara, but if a military gamble fails he could be in serious trouble and vulnerable to a coup.

Rabat expects effective resistance only from some 5,000 Spanish legionnaires in the Sahara and Spanish air force units stationed in the Canary Islands and possibly from Algerian ground forces. The Moroccans are skeptical that Algeria will intervene militarily, but Morocco reportedly is arranging for a token presence in Rabat of troops from Syria, Egypt, the PLO, and possibly Saudi Arabia as a psychological deterrent to an Algerian military reaction. We have no evidence, however, that other Arab troops are arriving in Morocco,

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

although small contingents could arrive quickly by air without being detected. We doubt that most eastern Arabs would involve themselves in a potential inter-Arab conflict except in a mediating role, although the PLO may be an exception.

Morocco has kept approximately one fourth of its more than 55,000-man army in southern Morocco since mid-1974, despite considerable supply problems and low troop morale because of the primitive conditions. We estimate that most of the 12,000 to 15,000 Moroccan troops in the southern zone have been tactical infantry, with some armor, artillery, and air defense units. Although the army has established a command-and-support structure in the south, the Moroccans would nonetheless face considerable obstacles in launching and sustaining a major offensive against either Spanish or Algerian forces.

Madrid could muster sufficient strength from its own forces to defeat a Moroccan invasion. The Spanish have some 16,000 army and air force personnel in the Sahara, with an additional 20,000 located nearby in the Canary Islands. The Spanish have 51 medium tanks and 35 armored cars that could provide immediate armored support. Spanish forces are well-equipped and trained, compared to the Moroccan army. In terms of air power, Madrid has more than 60 subsonic fighter-bombers immediately available; two squadrons of F-5 tactical fighter-bombers and a total of four squadrons of air defense command Mirage III and F-4C interceptors are in reserve in Spain.

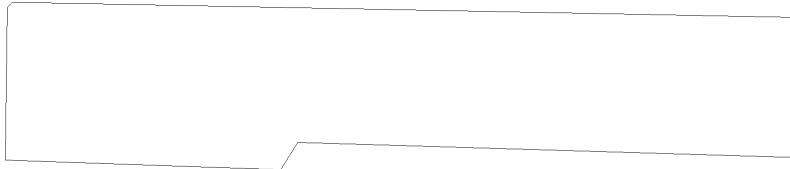
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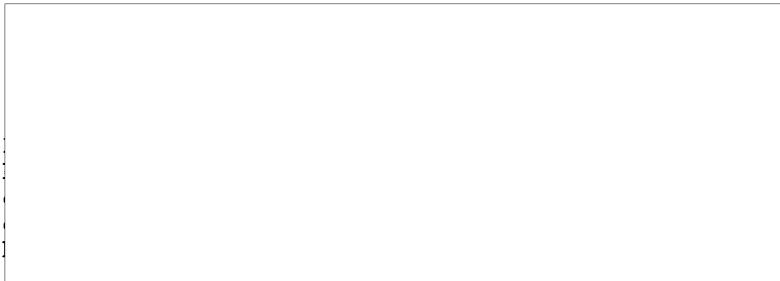
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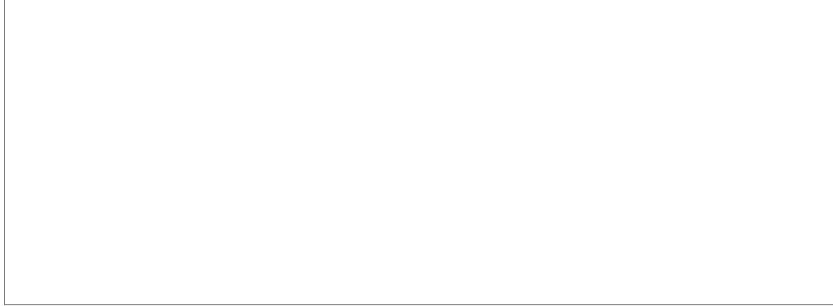


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Algeria, which favors independence for Spanish Sahara, will probably stop short of direct military intervention. It would, however, create as many problems for Morocco as possible. We would expect Algiers to support the POLISARIO Front, a pro-independence Saharan group, in waging a sustained insurgency effort. Algiers might also move troops to Morocco's northern border to exert pressure on King Hassan and renew its support of Moroccan dissidents. The Algerians would almost certainly mount an intensive international diplomatic effort to denounce Moroccan aggression.

In the less likely event that Algiers did intervene with direct military force, the Moroccans might achieve some initial success because they outnumber the 4,000 to 6,000 troops estimated to be in southwestern Algeria. The Algerian air force of some 200 combat aircraft could, however, turn the tide against Morocco's 40 combat aircraft, and play a decisive role in support of Algeria's ground forces, which are about the same size as Morocco's, but better trained and equipped.

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*FOR THE PRESIDENT ONLY*

*Top Secret*



# The President's Daily Brief

*October 6, 1975*

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declassification schedule of E.O. 11652  
exemption category 5B(1),(2),(3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

October 6, 1975

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Portugal: Prime Minister Azevedo has intensified his campaign to restore military discipline, but continues to be challenged by leftist-oriented units. (Page 4)

Arab States: Syrian President Asad has rejected a second attempt [redacted] to reconcile his differences with Egypt. (Page 6) 25X1

India-Bangladesh: We present key points from an interagency memorandum on the implications of the Indian emergency and the coup in Bangladesh. (Page 7)

Note: Morocco - Spanish Sahara (Page 8)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

USSR

*The 1975 Soviet grain crop may be 5 to 15 million tons less than our earlier estimate of 170 million tons. Indications of widespread use of unripened grain for forage purposes, abandonment of other low yielding acreage, and lower than expected yields in European Russia lead us to revise sharply downward our earlier estimate.*

With the harvest rapidly coming to an end, it now appears that, out of a total sown acreage of 325 million acres, 30 to 40 million acres will not be harvested as mature grain. The loss of pastures and forage crops, because of drought, apparently led to livestock grazing or cutting of immature grain for green feed. The wide range in our revised estimate of 155 to 165 million tons reflects uncertainty as to the amount this acreage would have yielded had the grain been allowed to mature.

So far, the Soviets have purchased about 20 million tons of foreign grain. A crop of 160 million tons--the mean of our revised estimate--will leave the USSR still roughly 32 million tons below requirements for this fiscal year, even allowing for stock drawdowns to a minimal level. The Soviets cannot hope to purchase that much additional grain and are taking drastic steps to cope with the expected shortfall. Official data on meat production and livestock inventories in August confirm that distress slaughtering has begun. Meat production was 11 percent higher than a year ago and inventories of hogs, sheep, and poultry had dropped. Above average slaughter of hogs--heavy consumers of feed grains--has led to reduction in numbers by 3 million head, 6 percent below last year. Further large-scale slaughter is likely.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

LEBANON

*Beirut is quiet, but sporadic fighting occurred in the Tripoli-Zagharta area in the north over the weekend. Zuhayr Muhsin, leader of the Syrian-controlled Saiqa fedayeen organization, reportedly has gone to Tripoli in an effort to stop the fighting. The terrorist attack at the Beirut airport Saturday apparently was unrelated to Lebanon's internal problems.*

*The removal of barricades in Christian and Muslim sections of Beirut is proceeding, and only a few thoroughfares remain blocked. Traffic is nearing normal levels, and businesses are reopening.*

*Despite the lull in political activity because of the four-day Muslim holiday, members of opposing sides are generally pessimistic.* [redacted]

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

The terrorist attack on Beirut airport appears to have been the work of fedayeen fringe elements who hoped to force Egypt to renounce the Sinai disengagement agreement. No fedayeen organization has claimed the terrorists.

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[redacted] The Palestine Liberation Organization, which captured one of the gunmen, has denounced the incident.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

PORUGAL

*Prime Minister Azevedo has intensified his campaign to restore military discipline, but continues to be challenged by leftist-oriented units.*

The government apparently decided that the transfer of disruptive soldiers would provide at least a short-term solution to growing indiscipline. These moves are being contested by radical troops who have now banded together in several new organizations. The soldiers' groups are allied with extreme left-wing political parties and probably receive encouragement from the Communists, who officially continue to support the Azevedo government.

Last weekend, an army transport training unit in Porto was disbanded after enlisted men voted to resist the transfer of two leftist officers and several enlisted men. Some of these soldiers later issued a statement warning that the struggle has not ended. They were immediately supported by a coalition of six parties of the far left, known as the Revolutionary United Front, which called for mass action to protest the unit's dissolution.

Radicals prevented the transfer of more than 40 soldiers--who had been accused of participating in anti-government demonstrations--from Beja air base in southern Portugal. Despite the government's decision to send loyal paratroops to break up several hundred leftists gathered outside the base, the transfer orders were revoked and the soldiers will be allowed to participate in non-partisan political demonstrations.

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Prime Minister Azevedo has blamed the far left for the breakdown in military discipline. He has told the press that divisions in the ranks are preventing the government from exercising complete control over the Lisbon area.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

Lack of cooperation by General Carvalho, who commands the internal security forces and the Lisbon military region, also contributes to the government's inability to tighten control over the military.

President Costa Gomes, who returned to Portugal yesterday from official visits to Poland and the USSR, may oppose Azevedo's policy of attempting to deal decisively with defiant troops. Costa Gomes is famous for his willingness to compromise and has weakened anti-Communist forces in the past by trying to avoid confrontations.

In a speech yesterday to mark the founding of the first Portuguese republic in 1910, Costa Gomes emphasized the need to heal divisions among the people and the armed forces, but he also deplored actions that "prejudice the exercise of authority." Socialist leader Soares later was attacked by a crowd of radical leftists, but was rescued by armed naval police.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

ARAB STATES

*Syrian President Asad has rejected  
a second effort [redacted] to rec-  
oncile his differences with Egypt. [redacted]*

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*A week  
earlier Asad had refused a unilateral  
plea for reconciliation.*

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*Asad [redacted] would refrain  
from personal attacks on President Sadat but would  
continue to criticize the disengagement agreement  
because he believes it is "treasonous." He flatly  
refused to meet Sadat.*

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*[redacted] Asad had promised  
[redacted] to  
stop personal attacks on the Egyptian President.  
Direct criticism of Sadat, however, has continued  
to be featured daily in Syrian media.*

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*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**INDIA-BANGLADESH**

*Following are key points from  
an interagency memorandum on the im-  
plications of the Indian emergency  
and the coup in Bangladesh.*

The military-led coup in Bangladesh, unlike Gandhi's crackdown on her domestic opponents, has had a considerable impact on South Asian regional and international relationships. The new government in Dacca is seeking to strengthen Bangladesh's relations with Pakistan and China. This introduces new uncertainties into Dacca's relationships with New Delhi and Moscow, although the new leaders in Bangladesh, fearing possible Indian intervention, have asserted to a doubtful India that they want to retain close ties.

The situation in Bangladesh is fragile, and India, already concerned about the turn of events in Dacca, may be laying the groundwork for the option of fomenting dissidence and turmoil or a pro-Indian coup in Bangladesh. Although there are numerous constraints on New Delhi, there is a significant risk of Indian military intervention within the next year in Bangladesh.\* A breakdown of domestic order in Bangladesh which caused a flood of refugees into India would probably lead to a coup or Indian military intervention.

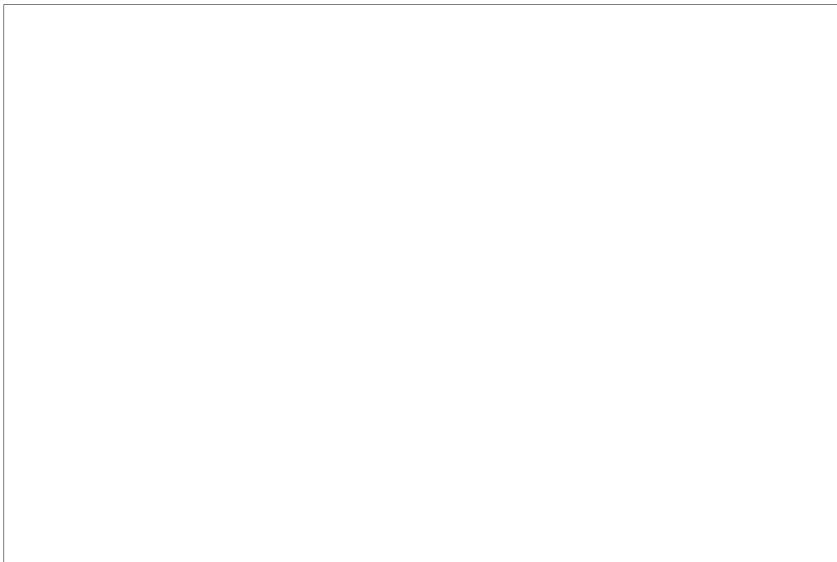
Indian intervention would be strongly condemned by China and Pakistan, and both might well engage in sabre-rattling near India's borders.

Although the odds are against it, in such a situation India and Pakistan could become embroiled in hostilities, leading to a serious international crisis.

*\*The Bureau of Intelligence and Research of the Department of State believes that there is a significant risk of a coup, perhaps aided by India, within the next year, but that direct Indian military intervention is much less likely. The chances for such intervention would increase dramatically if a coup failed and if refugees continued to stream into India.*

*FOR THE PRESIDENT ONLY*

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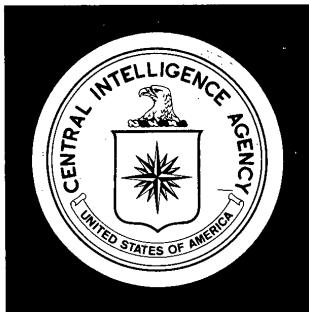


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*FOR THE PRESIDENT ONLY*

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# The President's Daily Brief

*October 7, 1975*

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~~Top Secret 25X1~~

Exempt from general  
declassification schedule of E.O. 11652  
exemption category 5B(1),(2),(3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

October 7, 1975

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Syria: President Asad has linked progress on Golan Heights negotiations with a demand for concurrent talks on the Palestinian problem. (Page 3)

Portugal: The Communists are now supporting a rebellious military unit against the government, possibly foreshadowing the party's withdrawal from the cabinet. (Page 4) 25X1

Notes: Morocco - Spanish Sahara; West Germany [ ] ; Yugoslavia-China-USSR (Pages 5 and 6) 25X1

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

USSR

Soviet Premier Kosygin and Foreign Minister Gromyko have expressed themselves recently on the status of relations with the US. An article by Gromyko appeared in the current issue of the party's theoretical journal *Kommunist* and probably is a warm-up for the coming party congress. Kosygin's remarks were made during meetings last week with Sargent Shriver and Guyford Stever.

Gromyko touches most of the bases in his article regarding relations with the US, including a favorable reference to General Secretary Brezhnev's coming visit to Washington. Gromyko, however, seems to give somewhat greater weight to negative aspects of US-Soviet ties. He refers to the fact that trade relations are still not normal, and goes on to voice uncertainty about whether the "circles" that determine US policy will be able to get economic relations with the USSR squared away. Gromyko also introduces a new theme in claiming that US-Soviet relations are being complicated by the "notorious" actions of the US in "some" parts of the world.

The Soviet foreign minister says that the USSR will continue to follow the line of improving Soviet-US relations, but hastens to add that, as before, the USSR will not waive its legitimate interests or those of its allies and friends. The sharp thrust to Gromyko's remarks seems to be designed to tell the party faithful that the Soviet Union is still tough and vigilant.

Kosygin, meanwhile, told Sargent Shriver last week that over the next five years the USSR, in addition to grain purchases, hopes to raise the level of trade with the US to an average of \$2 billion annually. Kosygin expressed willingness to conclude 5, 10, or 15 year trade agreements with the US on both grain and oil, although he criticized as outmoded any direct linkage between the two commodities. He said the USSR is interested in obtaining \$3 billion in Eurodollar credits over the next five years to finance expansion of oil and gas production.

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**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

Kosygin also endorsed an increase in scientific and technological exchanges, a subject to which he returned the following day in a conversation with Guyford Stever, who was in Moscow to help chair the fourth session of the joint commission for scientific and technical cooperation. The Soviet premier stressed that the time had come to proceed to specific joint research and development programs. He suggested the US and USSR select two or three large projects to demonstrate to the public the tangible benefits of bilateral cooperation. He assured Stever that the Soviet government would be willing to allocate the necessary resources, observing that a few such projects would be useful in building trust between the two nations. His proposals included joint construction of advanced metallurgical plants and hospitals, and joint solution of a transportation problem in each country.

Kosygin frequently has spoken on behalf of greater East-West economic cooperation. His reiteration of this theme at this time implies that the USSR intends to continue to pursue a foreign policy compatible with expanded scientific, technical, and economic cooperation, despite a variety of bilateral problems.

**FOR THE PRESIDENT ONLY**

**SYRIA**

President Asad, in another sharp attack on the Sinai agreement, asserted yesterday that Syria would not engage in any further negotiations for a Golan Heights accord unless concurrent negotiations on the Palestinian question are held with the Palestine Liberation Organization. This appears to represent a serious change in Syria's negotiating position and all but rules out any chance of the US getting talks going soon between Syria and Israel.

Syrian propaganda attacks on the Sinai accord over the past week have been leading toward this shift. [redacted] Syrian officials [redacted] indicated [redacted] that Syria was no longer in any hurry to recover a few more kilometers on the Heights, and needs something for the Palestinians as well before an agreement with Israel can be politically acceptable.

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This is the first time, however, that Asad has insisted in public on a direct link between Syrian-Israeli negotiations and the Palestinian problem. Indeed, it marks a sharp change from early last month when the Syrians were telling US officials in Damascus to disregard Syrian criticism of the Egyptian-Israeli agreement because these attacks were largely for domestic consumption.

It is not clear what triggered Asad's about-face. He may have concluded from Foreign Minister Khaddam's talks with Secretary Kissinger last week in New York that there is no hope of rapid progress in negotiations. Asad may, therefore, believe he cannot afford to settle for what the Israelis are willing to offer without suffering acute public embarrassment and strong attacks from the Iraqis and his domestic opponents.

It is not certain what position Damascus will now take toward the renewal of the mandate of the UN forces on the Golan Heights, which expires on November 30. Asad may still find some way of rationalizing an extension of the mandate in order to allow the US more time to deal with the Palestinian issue. In the meantime, Syria is likely to redouble its efforts to obtain the support of other Arabs for its negotiating position.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

PORUGAL

A Communist Party decision to support a rebellious left-wing military unit in Lisbon could foreshadow the party's withdrawal from the government. The Communists apparently believe that the political tide in Lisbon is turning against Azevedo and his Socialist-dominated government and they want to improve their relations with the left-wing extremists who oppose him.

The Communists and extreme leftists have co-operated occasionally in the past, but the leftist fringe groups have generally sharply criticized the Communists for their willingness to work with the new government. Until now, the Communists have taken a neutral position in the government's struggle with the extremists in order to avoid an open break with the newly formed Azevedo government. Communist-controlled unions have called a strike of 250,000 steel workers for today, apparently in support of the rebellious troops.

President Costa Gomes, who returned from his state visit to Moscow on Sunday, is apparently supporting Azevedo's strong actions to reassert military discipline.

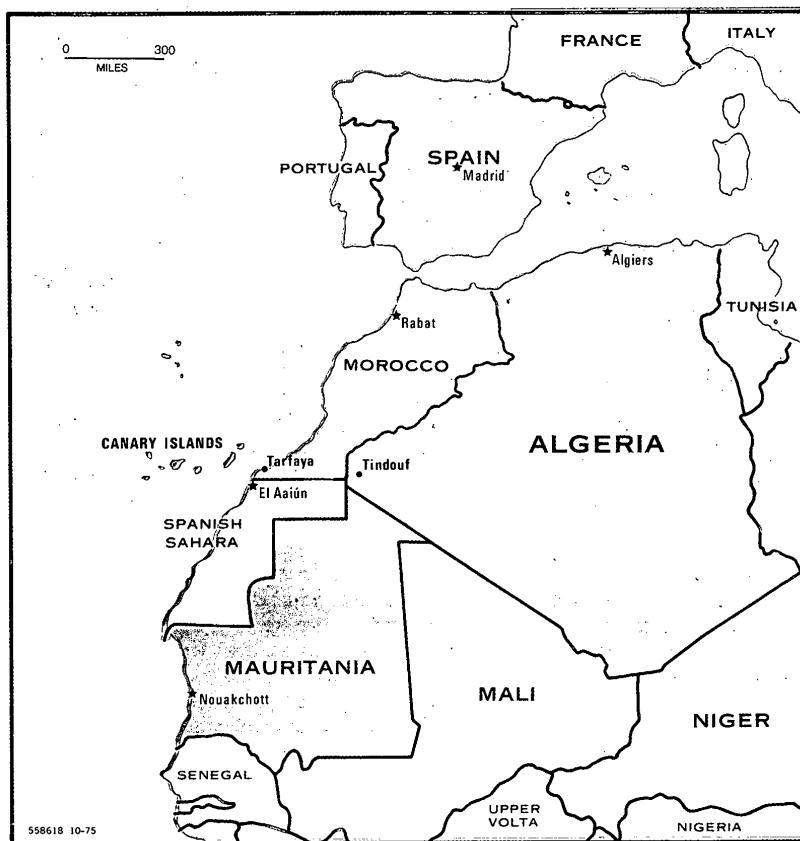
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Azevedo has had only limited success in his efforts to form a loyal military intervention force that could counterbalance General Carvalho's internal security command.

In Lisbon 10,000 demonstrators, including about 1,000 soldiers and sailors from several leftist units in the capital region, responded last night to the Communist-backed appeal to show support for the Lisbon Light Artillery Regiment's defiance of the government attempts to bring it to heel. The rebellious artillerymen have mounted anti-tank and machine guns outside their barracks, claiming that government leaders are trying to "annihilate" the regiment.

Thousands also demonstrated in Porto last night to protest the government's decision Saturday to disband a military transportation unit there. The demonstration in Porto--where there have been almost continuous disturbances since Saturday--was preceded by a rally in support of the government by about 5,000 people, led by the centrist Popular Democratic Party. The Popular Democrats, along with the Socialists, have called for another rally in Porto today.

*FOR THE PRESIDENT ONLY*



*FOR THE PRESIDENT ONLY*

NOTES

Morocco reportedly has moved some military forces away from the Tarfaya area near the border with Spanish Sahara.

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the troops began moving over the weekend, and appeared to be "redeploying on" the Algerian border. Madrid does not believe that the move is a maneuver to cover an imminent attack by the Moroccans into Spanish Sahara.

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If the troops are in fact moving, they could be going to the central Spanish Saharan border area to strengthen forces there, rather than to the Algerian border; a move by Morocco against Spanish Sahara in either the central or eastern border area would involve less risk for Rabat than one near the coast, where most of the Spanish forces are concentrated.

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West German

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

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Yugoslav Premier Bijedic's visit to China began on a sour note yesterday when Soviet Ambassador Tolstikov led a walkout at the official reception.

All envoys of the East European Communist countries except the Romanian ambassador left after Chinese First Deputy Premier Teng Hsiao-ping said, "...the most dangerous source of war is the superpower that is most zealous in preaching peace." The walkout yesterday was significant because Teng's anti-Soviet statement did not go beyond language he had used at the recent reception for North Vietnamese party chief Le Duan; Tolstikov did not leave on that occasion. The Soviet's action probably was intended as a demonstration of pique with the Yugoslavs and the Romanians, who have been flaunting their ties with Peking.

*FOR THE PRESIDENT ONLY*

*Top Secret*



# The President's Daily Brief

*October 8, 1975*

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~~Top Secret 25X1~~

Exempt from general  
declassification schedule of E.O. 11652  
exemption category 5B(1),(2),(3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

October 8, 1975

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Portugal: The extreme left yesterday took over a heavy artillery regiment overlooking Porto, Portugal's second largest city, thereby mounting the most serious threat yet to the Azevedo government. (Page 1)

Lebanon: Rumors [redacted] to oust President Franjiyah are circulating in Beirut. (Page 3) 25X1

Notes: Syria; USSR (SALT); USSR (grain); Poland; Morocco - Spanish Sahara; France; Ecuador (Pages 4, 5, 6, and 7)

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**PORUGAL**

The extreme left and the Communists yesterday enlarged their challenge to the Portuguese government. Hundreds of soldiers, with the help of thousands of civilian supporters, took over a heavy artillery regiment overlooking Porto, Portugal's second largest city. Seizure of the unit, which [redacted] includes an arsenal of 700 tons of light arms and ammunition, is the most serious threat mounted so far against the Azevedo government. The commander of the Northern Military Region last night was reported trying to resolve the matter through negotiations.

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According to a well-placed and reliable US embassy source, Prime Minister Azevedo has spoken privately of resigning "within a week or so" if he cannot resolve the problem of military discipline.

The principal anti-government agitator in Lisbon is Major Dinis de Almeida, deputy commander of the extremist-controlled light artillery regiment. At a Communist-supported demonstration on Monday, Almeida attacked the political parties participating in the government, blaming them for the successive failures of the ruling military to solve Portugal's economic problems.

High-ranking military government officials also are challenging the government. Admiral Rosa Coutinho, a member of the Revolutionary Council, told a meeting of workers' councils Monday that although Prime Minister Azevedo is a "man of the left," anyone is suspect who calls for order and discipline before the revolution is completed.

The Communists have not taken the lead in the current turmoil. The party did bring thousands of workers by train to Lisbon yesterday to support a brief strike by steel workers.

(continued)

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

Successive challenges to the government's authority have completely frustrated Prime Minister Azevedo's attempts to restore military discipline and public order. Although the extreme leftist opposition appears poorly organized, it is now questionable whether the Azevedo government can muster sufficient support in the Lisbon area to maintain itself in power.

\* \* \*

West German Defense Minister Leber's three-day visit to Portugal beginning today clearly is meant to show Bonn's support for the Azevedo government.

Leber was invited by President Costa Gomes some time ago, but said that he could not accept until the political situation in Portugal stabilized. Although the Germans do not consider this accomplished, they apparently have concluded that an overt show of support at this time might help the anti-Communist forces. Leber is scheduled to meet with Costa Gomes, Azevedo, Foreign Minister Antunes, and other members of the Armed Forces Movement and the political parties. High on the list of bilateral matters is the question of the German air base at Beja in southern Portugal. The West German air force makes little use of the base and probably would like to pull out before the agreement with the Portuguese expires in 1978.

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*FOR THE PRESIDENT ONLY*

## FOR THE PRESIDENT ONLY

## LEBANON

Rumors [redacted] to oust President Franjiyah are circulating in Beirut. The [redacted] dissatisfaction with the President in the predominantly Christian-officered army probably stems both from frustration over the secondary role the military has been forced to play in the current crisis and from a sincere belief that Franjiyah [redacted] has lost the confidence of the country.

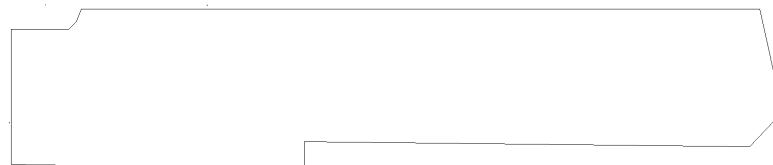
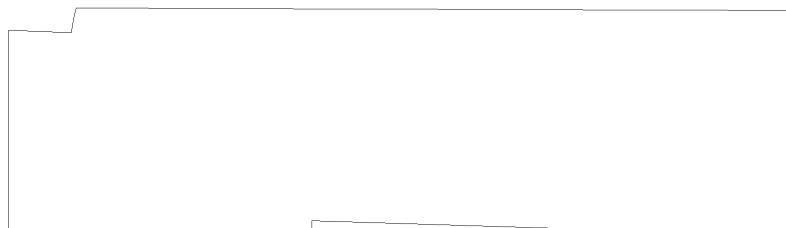
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The push for Franjiyah's removal seems to be a symptom of frustration over the difficulty in coming to grips with the Christian-Muslim power-sharing issue that is at the root of the crisis. Most Muslims would like to see Franjiyah replaced by a Christian less identified with the right-wing Phalanges Party, which has been resisting the Muslim effort to modify the 1943 National Covenant. Many Christians, for their part, believe that the removal of the President is necessary to make way for a compromise granting the Muslims a greater share of political power. The Christian community as a whole, however, could split on this issue.

Sporadic fighting occurred yesterday between Christian and Muslim militia elements in the southern suburbs of Beirut and in the Tripoli-Zagharta region in northern Lebanon. The inability of the security forces to restore order in these areas may presage renewed and widespread fighting when the religious holiday ends later this week.

*FOR THE PRESIDENT ONLY*

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Syria

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The Soviet military newspaper Red Star on September 30 implied publicly Moscow's contention in the SALT negotiations that air-launched cruise missiles should be counted under a SALT II aggregate limit.

The article comes just three weeks after a similar article in Red Star on the US submarine-launched cruise missile threat. Both articles demonstrate a growing concern in the Soviet military over the potential menace of US cruise missile programs and a desire to see this issue resolved as part of any SALT II agreement. The arguments presented by the author of the article on air-launched cruise missiles, in fact, represent the Soviet position on cruise missile limitations. His assertion that air-launched missiles will expand US strategic attack capabilities, and not merely enhance defense penetration, echoes Soviet arguments that air-launched cruise missiles should be subject to the same treatment in SALT as air-launched ballistic missiles. His warning that the US plans "mass deployment" of air-launched cruise missiles could be interpreted as a charge that failure to limit these missiles might permit US circumvention of possible SALT II quantitative limits.

(continued)

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

\* \* \*

We estimate that the Soviets can purchase only 3 to 3.3 million tons of grain from sources other than the US for delivery during FY 1976.

We are assuming that usual trade patterns will not change and that current crop production forecasts will hold. As of October 1, the Soviets had purchased 10.4 million tons of grain from the US and 9.85 million tons from other suppliers. In future negotiations, the USSR may on occasion be competing with East European countries for free world supplies. Of the total available supplies, only about one third--1 million tons--is wheat; the remainder is feedgrains. The single most important supplier is Argentina, with 1.3 to 1.4 million tons available for export; negotiations with the Soviets are rumored to be in progress.

\* \* \*

Popular dissatisfaction with the economic situation in Poland has resulted in several instances of suspected arson.

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Leaflets found at the site of a fire that destroyed Warsaw's largest department store on September 21 threatened more fires if prices are increased

25X1

A fire damaged a new bridge over the Vistula on September 23. Stories of other fires, including one at the Fiat factory in Zeran on October 2, are making the rounds, and all party members reportedly have been asked to mount a night watch at factories. The US consulate in Krakow reports that more meat has appeared in the stores during the past week, and that increased numbers of police are on the streets. The extra meat had evidently been intended for export. The diversion of goods--initially designated for export--to domestic markets has been officially announced and will further strain Poland's already serious balance-of-payments problems.

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**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

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Moroccan

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French

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*FOR THE PRESIDENT ONLY*

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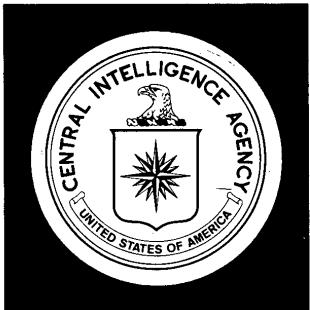
Ecuador



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# The President's Daily Brief

*October 9, 1975*

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exemption category 5B(1),(2),(3)  
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*FOR THE PRESIDENT ONLY*

October 9, 1975

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At Annex we present an assessment of the current situation in Spain.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**PORUGAL**

*The Communists yesterday called for a conference between government leaders and parties of the left to prevent the unrest in the military from turning into a civil war.*

The Communists blame the current turmoil on the Socialist-dominated government's efforts to purge pro-Communists and other leftists from the military, the media, and other influential positions. They also charge that the government is compromised by the presence of the Popular Democratic Party, which the Communists describe as a tool of the Socialists.

Although the Communists officially have supported the government, they may now drop this pretense and turn their attention to their heretofore covert campaign to undermine it. Yesterday, the party issued a statement praising political agitation among army units as "a magnificent riposte" to reactionary attempts to swing the country to the right. The party's call for removing reactionaries from command positions indicates it has no intention of backing Prime Minister Azevedo's efforts to restore military discipline.

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Azorean separatists, meanwhile, may be trying to capitalize on the government's problems on the mainland. The Azorean Liberation Front [redacted] has given the interior minister eight days to approve a request for a referendum on independence for the islands. If the request is refused, the Front says it will consider a unilateral declaration. The independence movement has lost its momentum since Goncalves was replaced, and this [redacted] may be meant to recapture the initiative.

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**FOR THE PRESIDENT ONLY**

FOR THE PRESIDENT ONLY

## LEBANON

Lebanese authorities have reported that all sides have agreed to another cease-fire following the latest eruption in Beirut's suburbs. This is the sixth cease-fire since the fighting spread to the capital three weeks ago, and security forces are still making little headway in separating the opposing Christian and Muslim militiamen. Heavy fighting also has broken out in the Tripoli-Zagharta area.

Fighting continued in Beirut last night despite the cease-fire.

[redacted] Muslim militiamen [redacted] refused to allow the security forces to take over their barricades even though Phalangist forces had already relinquished their posts.

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The latest outbreak has increased the possibility that less radical fedayeen organizations--Fatah and Saqiya--will cease their cooperation with the security forces. [redacted]

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a change in attitude on the part of Saqiya and Fatah against continued cooperation.

Syrian President Asad apparently still wishes to play a moderating role in the crisis. [redacted] Asad is concerned over the Palestine Liberation Organization's failure to control the Lebanese leftist groups. [redacted]

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Prime Minister Karami is to confer with Asad in Damascus this morning and almost certainly will ask Syria to make another attempt to mediate the crisis. Syrian Foreign Minister Khaddam probably will be asked to return to Beirut.

FOR THE PRESIDENT ONLY

**FOR THE PRESIDENT ONLY**

USSR - EAST GERMANY

*The 25-year friendship treaty signed by the Soviet Union and East Germany on Tuesday is another attempt by Moscow to legitimize the division of Germany and to justify Soviet hegemony in Eastern Europe.*

The new agreement replaces a 20-year accord signed in 1964 that was to remain in effect unless a German peace treaty was signed or Germany was re-united. The Soviets clearly believe that the Helsinki agreement is a surrogate for a German peace treaty. Moreover, both the new friendship treaty and General Secretary Brezhnev's remarks preceding its signature make plain that the European status quo is now considered frozen and that any possibility for German reunification, peaceful or otherwise, is out of the question. References in the treaty to East Germany as a "sovereign, independent state" reflect both sides' desire that East Germany's enhanced status be internationally recognized.

The treaty also includes language asserting that the responsibility of all "socialist" countries is to support, strengthen, and defend "socialist gains." This language was used to justify the Soviet-led invasion of Czechoslovakia and has come to be known as the "Brezhnev doctrine." By their selection of these words, the Soviets are telling the East Europeans that there will be no fundamental change in their relationship with the USSR as a consequence of Helsinki.

At the same time, the citation of the Brezhnev doctrine and the great stress on across-the-board cooperation in the treaty may be intended by the General Secretary to quiet fears within the Soviet leadership that the Helsinki final act and the Vienna force reduction talks will undermine Moscow's grip on Eastern Europe. In a recent article in *Kommunist*, Foreign Minister Gromyko clearly stated that Moscow will raise the degree of its cohesion with Eastern Europe to still higher levels. If the new treaty with East Germany is intended as a vehicle for reaching this goal, invitations to the Czechoslovaks, Poles, and other East Europeans to sign similar accords may be in the offing.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**ISRAEL-SYRIA**

*Israel appears to be taking a relaxed view of the tough requirements Syria has outlined for a resumption of negotiations.*

Top Israeli leaders are not optimistic that the talks will get under way any time soon. They are concerned that their failure to maintain at least an appearance of negotiating momentum, however, might jeopardize the renewal of the UN forces' mandate on the Golan Heights. Thus, they appear to be using the press to hint publicly that they are still interested in negotiating with Damascus.

One Israeli newspaper recently suggested that Defense Minister Peres may be considering a withdrawal from the hills at al-Qunaytirah as part of an interim agreement. An Israeli journalist later suggested to our embassy that Peres may even be considering this withdrawal as a unilateral gesture. Such a gesture timed to defuse the mandate renewal issue is possible, but Israel regards the hills as a major bargaining chip in the negotiations with Damascus and is unlikely to relinquish them solely in return for an extension of the UN mandate.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES

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Cambodia

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*Skirmishes continue between Cambodian and  
Vietnamese forces on offshore islands in the Gulf  
of Thailand.*

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According to a Cambodian intercept, Vietnamese forces last week occupied an island near another held by Cambodia. Earlier messages referred to several Cambodian casualties, apparently in this area, and to Vietnamese shelling of a Cambodian island. Both countries appear to be increasing their coastal defenses, and there is no evidence that either government is willing to compromise about either the disputed islands or undersea resources.

(continued)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

\* \* \*

*Spain may be taking more seriously reports of  
a possible Moroccan incursion into Spanish Sahara.*

[redacted] has reported  
that Spain may be in the process of reinforcing its  
troops in Spanish Sahara and the Canary Islands.  
An airfield in the Canary Islands was closed to  
civilian traffic yesterday, reportedly because of  
troop movements. [redacted]  
infantry battalion stationed there may be going to  
Spanish Sahara. He also reports that a second para-  
chute battalion may have been sent from the main-  
land to the islands.

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*FOR THE PRESIDENT ONLY*

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SPAIN

*The effort to bring about gradual liberalization in Spain and to ease the eventual transition of power from General Franco to Prince Juan Carlos suffered a major setback*

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25X1

*The adoption of repressive tactics by the regime reflects the ascendancy of rightist forces at a crucial time in Spain's political evolution. Despite the outpouring of patriotic sentiment in reaction to foreign criticism, the longer term effect of the Franco anti-terrorist campaign will be the further polarization of political forces.*

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25X1

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25X1

The ground lost to the rightists will not be easily regained. The massive show of unity on the 39th anniversary of Franco's assumption of power has been followed by rightist demonstrations throughout the country. Elements opposed to any significant political change will undoubtedly use this show of support to consolidate their position.

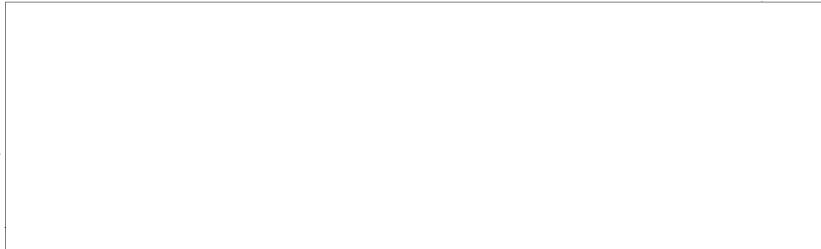
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FOR THE PRESIDENT ONLY

*FOR THE PRESIDENT ONLY*



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Senior Spanish military officers--many of the highest rank being veterans of the civil war--undoubtedly supported adoption of the tough anti-terrorist law.

Their position, however, does not necessarily represent the sentiment of all lower ranking officers and enlisted men. The arrest of several officers last summer for involvement in political activities suggests that there is more discontent and perhaps incipient political activism among the junior officers [redacted]

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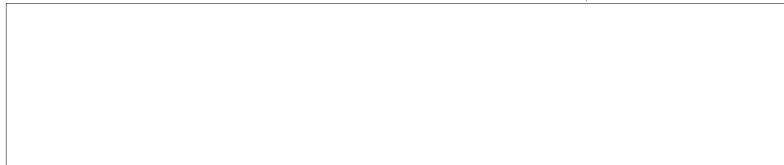
So far, most of the complaints of junior officers have seemed to revolve around such military issues as pay and promotion.

The issue with the greatest potential for politicizing the armed forces would be the necessity of military intervention to restore law and order. Opposition to a police role for the army has surfaced in the past, and even the upper echelons might have second thoughts if the campaign of violence, which is already beginning to reach serious proportions, threatens to get out of hand.

Another issue that might galvanize a political movement within the military would be a misadventure in Spanish Sahara--either a quick, sharp defeat or prolonged hostilities that could not be ended with honor.



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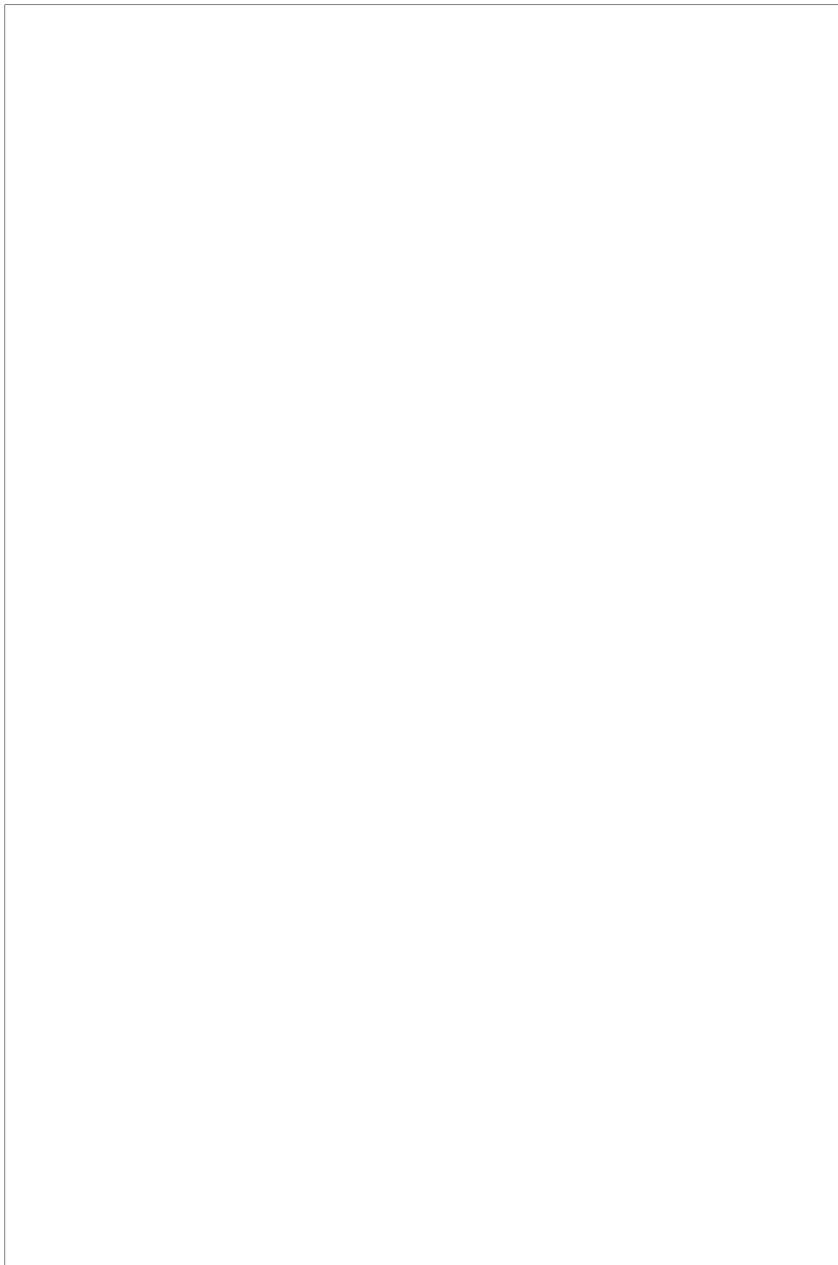
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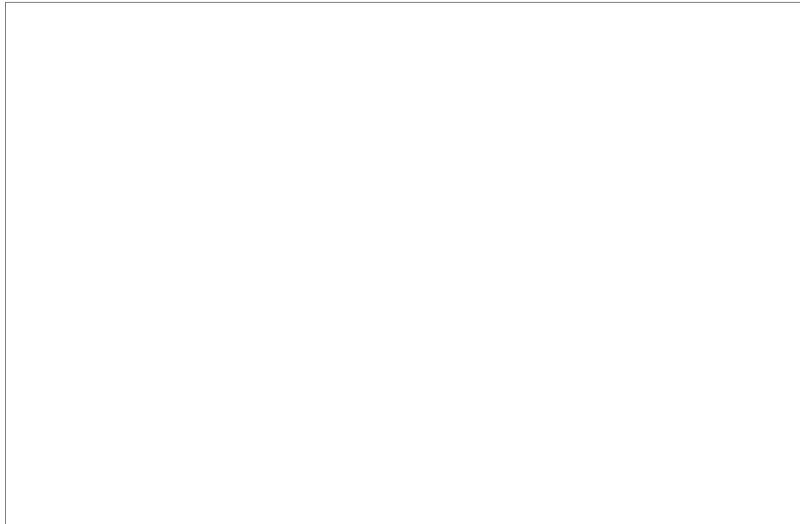
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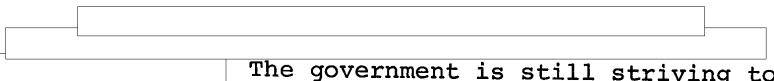
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The 82-year-old Franco's selected successor--Prince Juan Carlos--will inherit a nation that is more polarized than it was even a few months ago between those trying to maintain the old regime and those committed to its reform or replacement.

Prime Minister Arias and others have sought to lessen the dangers of the transition by slowly bringing into the mainstream of Spanish politics groups which in any other European country would, at the very least, be members of the respectable opposition. [redacted]



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The government is still striving to

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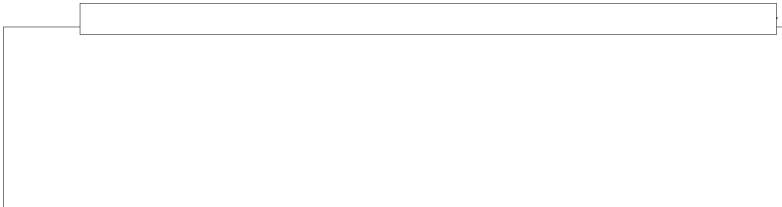
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*FOR THE PRESIDENT ONLY*

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present a united front in the face of its current  
problems [redacted]

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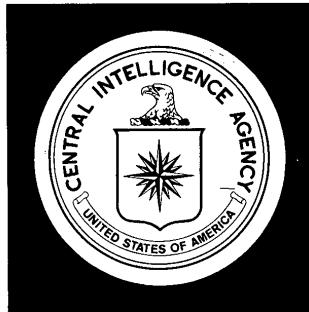


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# The President's Daily Brief

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declassification schedule of E.O. 11652  
exemption category 5B(1),(2),(3)  
declassified only on approval of  
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25X1

(Page 7)

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**USSR-SYRIA**

*Syrian President Asad arrived in Moscow yesterday on what is billed as a brief visit. One purpose of the trip is to demonstrate Syrian-Soviet solidarity in opposition to Sinai II. Asad and the Soviets will probably direct their primary attention, however, toward the next round of diplomacy.*

The Soviets will want to explore Syria's attitude toward new talks, since Damascus, unlike Moscow, has been cool to the idea of reconvening the Geneva conference. The Soviets are sure to stress that they want a substantial role in any Syrian-Israeli talks. The presence of Defense Minister Talas in Asad's party indicates that the question of military assistance will also be raised.

The Soviets are likely to give the Syrians strong assurances of support. The presence of party boss Brezhnev and other top Soviet leaders at the airport to greet Asad indicates the importance Moscow attaches to the visit as a symbol of its continued role in the Middle East.

The Lebanese situation will probably be touched on in the discussions. Moscow has applauded Syrian efforts to mediate the conflict there.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

LEBANON

*Fighting in Beirut, which surged again last night, is reported to have eased this morning following announcement that a new cease-fire has gone into effect. The new agreement reportedly was worked out during Lebanese Prime Minister Karami's visit to Syria yesterday. Karami returned to Beirut last night. Fedayeen leader Yasir Arafat is also back in Beirut*

[redacted]

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[redacted]

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25X1

Yesterday, Kuwait called for an Arab foreign ministers' meeting to discuss the Lebanese situation. Initial Arab response has been generally favorable. Egypt, Morocco, and Tunisia have agreed, and the Sudanese ambassador in Lebanon is expected to recommend that his government approve.

The extremists at opposing ends of the Lebanese political spectrum can be expected to object to the use of a joint Arab military force to stop the fighting. The Phalangists will fear that any compromise reached after an Arab force imposed a truce would be at the expense of the Christians. For their part, Lebanese leftists and "rejectionist" fedayeen, who hope that continued strife will ultimately result in a government favorable to their interests, will fear that a joint Arab truce force could prevent them from achieving this goal.

Tel Aviv is not likely to take a relaxed view of outside Arab military intervention. Foreign Minister Allon declared, barely two weeks ago, that Israel would not intervene in Lebanon as long as the conflict is limited to the Lebanese. Israel would begin by urging the US and others to intercede with Beirut to call off such a plan.

*FOR THE PRESIDENT ONLY*

PORUGAL

*The cabinet issued a tough statement last night warning that the government would act against any group using violence. It endorsed the recent actions of the anti-Communist political parties and indirectly condemned the Communists for supporting the continuing wave of military, political, and labor agitation.*

The statement called for a joint meeting between the government and the Armed Forces Revolutionary Council to map out measures to guarantee stability. This will be no easy task. The mutiny of leftist soldiers has polarized political and military factions, and the room for compromise is becoming progressively more narrow. The danger of widespread violence is growing.

Leftist soldiers occupying the artillery post in Porto and loyalist forces there are at a stand-off. The regional commander, General Veloso, backed away again yesterday from using force to quell the mutiny. He probably has enough loyal troops to do so, but not without bloodshed.

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Some pro-government military units appear to be preparing for a showdown. [redacted]

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*FOR THE PRESIDENT ONLY*

MOROCCO - SPANISH SAHARA

*King Hassan has reiterated a promise he made in August to wait for the advisory opinion by the International Court of Justice before resorting to force in Spanish Sahara.*

In remarks to the diplomatic corps in Rabat on Wednesday, Hassan said that once the court's opinion is known, he will decide what course Morocco will take. The court's decision may be released soon.

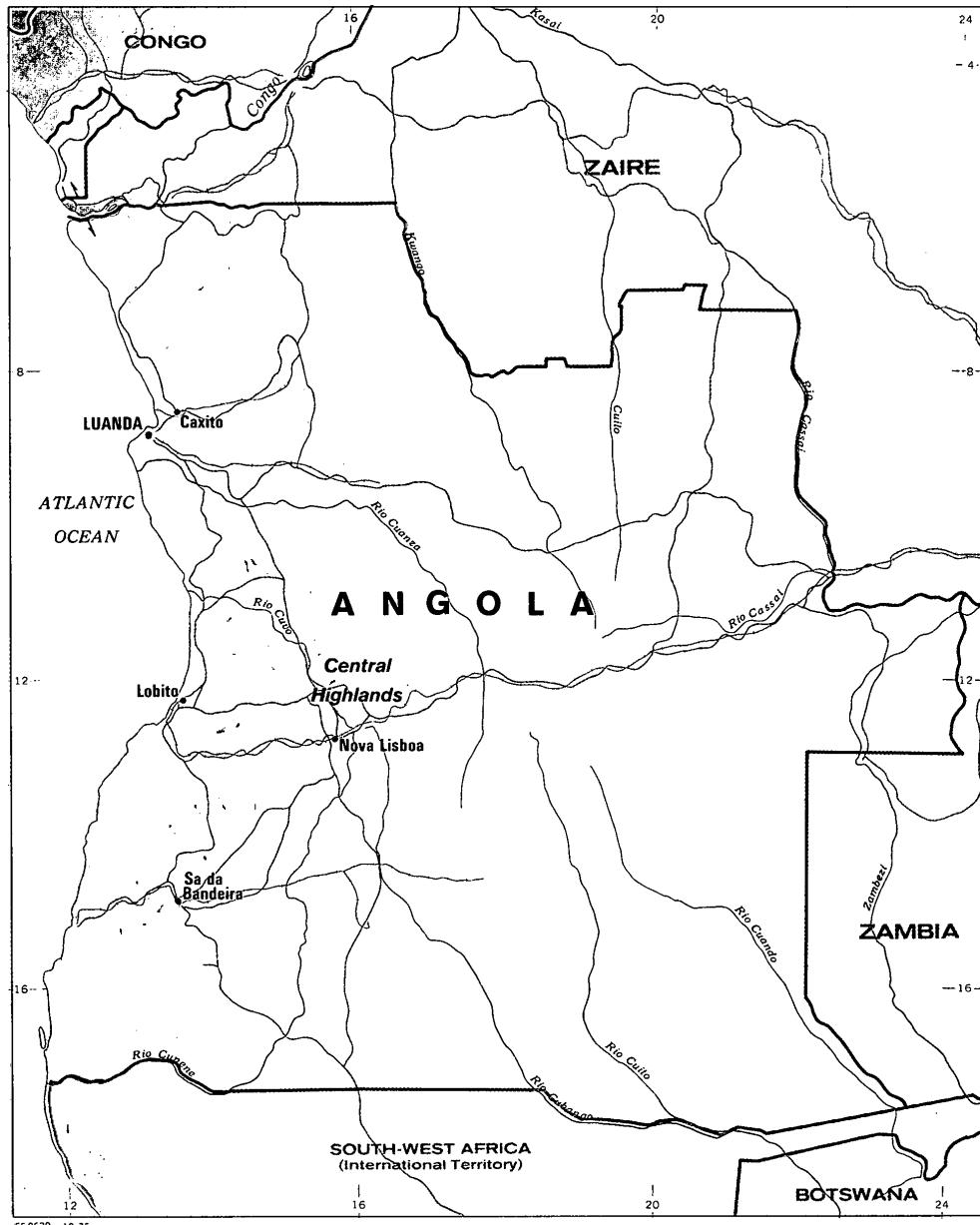
Hassan added that he expected support from other Arab states in return for Moroccan assistance during the 1973 war and during subsequent peace negotiations. He also appealed to African states, reminding them that territorial integrity and national liberation were important concepts in their past.

Hassan's remarks have somewhat eased tension over Spanish Sahara. If the court's opinion should be ambiguous or unfavorable to Morocco, however, Hassan probably will initiate some form of military action.

In a parallel speech to the UN General Assembly, Moroccan Foreign Minister Laraki also appealed for international support. He argued that the assembly, in recommending proposals for the decolonization of Spanish Sahara, must respect the "fundamental law" of the territorial integrity of Morocco and Mauritania. He reaffirmed Morocco's claim to the Spanish enclaves of Ceuta and Melilla in northern Morocco and called on Spain to negotiate their return, drawing a parallel between his country's claim to the enclaves and Spain's to Gibraltar. Morocco may be hinting that it will support Spain on Gibraltar in return for an overall settlement on the Sahara and the northern enclaves.

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*FOR THE PRESIDENT ONLY*



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**FOR THE PRESIDENT ONLY**

**ANGOLA**

*Angola's three nationalist groups are moving toward a fresh round of fighting aimed at improving their respective military positions before independence on November 11. Each group apparently is being hampered by operational problems.*

The immediate strategy of the Soviet-backed Popular Movement for the Liberation of Angola, which controls Launda and other important points, is to drive the National Union for the Total Independence of Angola from its headquarters in Nova Lisboa. Control of Nova Lisboa would give the Popular Movement a major foothold in Angola's densely populated central highlands and damage the National Union's control of the area. A Popular Movement force is already moving on the city.

The two Portuguese battalions stationed in Nova Lisboa were withdrawn on October 4, upon the termination there of the refugee airlift. The troops abandoned most of their equipment to the National Union and the National Front for the Liberation of Angola. The equipment included small arms and ammunition, fuel, and light vehicles.

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The Portuguese army has now withdrawn from all its posts in the interior of Angola except for the one at Sa da Bandeira. That post will probably be evacuated within the next two weeks.

The National Union recently began an advance on Angola's major port of Lobito, which it lost to the Popular Movement last August.

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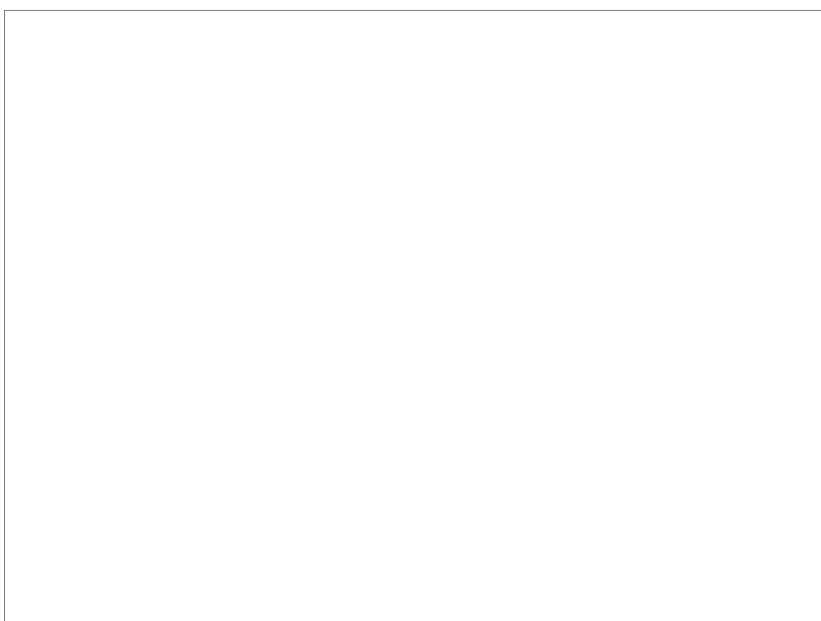
Portuguese military authorities in Luanda expect that the northern-based National Front will begin a drive against the capital soon. Since it recaptured the important junction town of Caxito last month, the National Front has been strengthening its logistic base there. The Front is being assisted by at least 1,100 Zairian troops.

Although there has been some heavy skirmishing around Caxito and in central Angola in recent days, the three groups apparently are having problems preparing for full-scale offensives. According to the US consul general in Luanda, all three are finding it difficult to provide supplies to their frontline troops.

*FOR THE PRESIDENT ONLY*

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NORWAY



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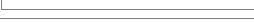
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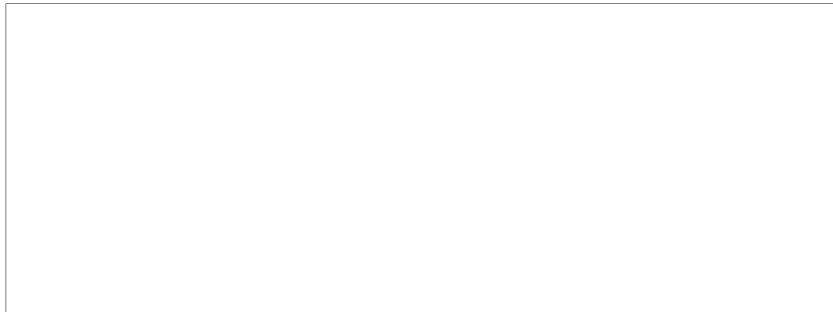
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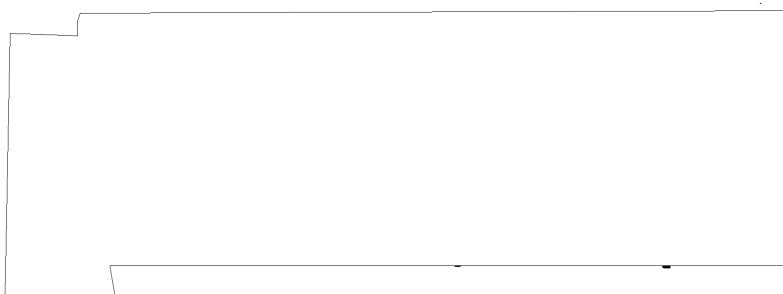
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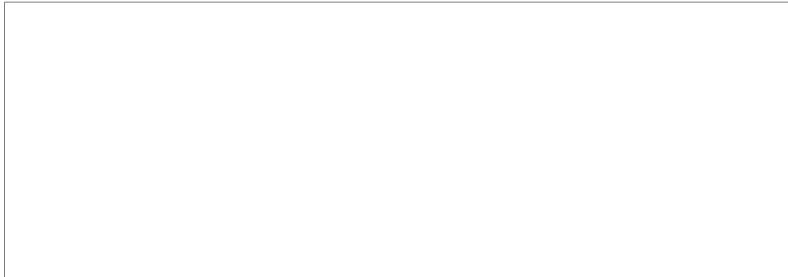
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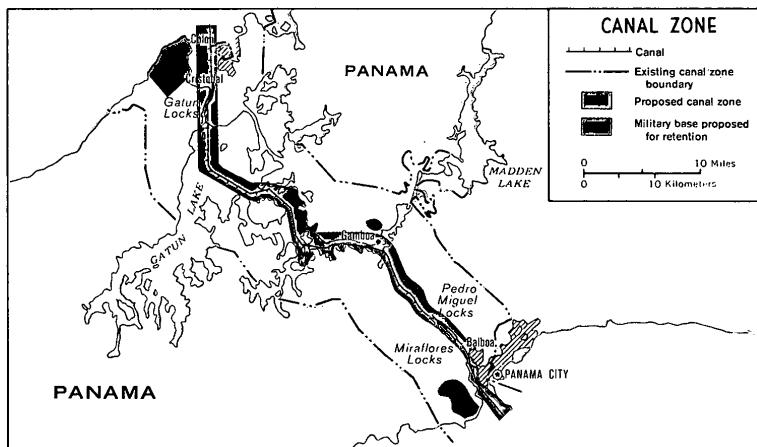
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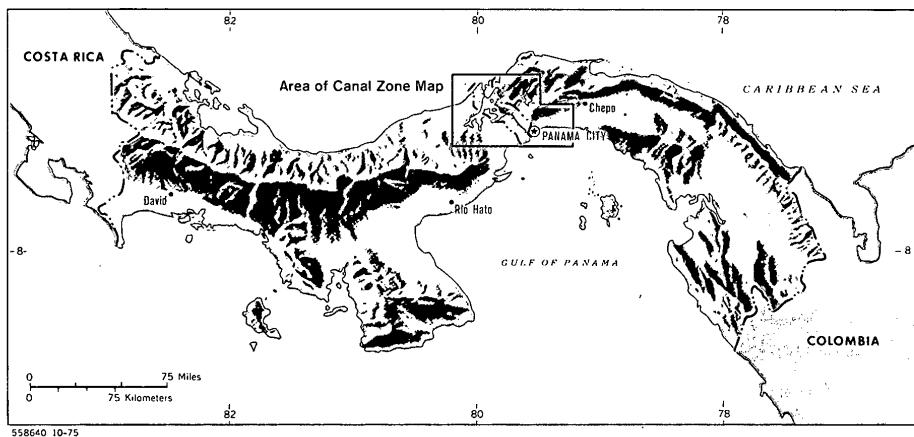
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*FOR THE PRESIDENT ONLY*

# PANAMA



The Canal Zone showing reduced zone and base holdings Panama proposes for US retention.



**FOR THE PRESIDENT ONLY**

NOTES

Panama's General Torrijos apparently intends to use the seventh anniversary of his assuming power tomorrow to demonstrate massive support for his negotiating position on a new canal treaty. Disorders are possible, but we believe the government will make every effort to keep events under control.

We believe Torrijos remains committed to the negotiations, and that he still thinks he can get a treaty that will meet Panama's aspirations and benefit him politically. The Panamanians will make concessions only grudgingly and probably expect the talks to drag on through 1976. Partly for domestic reasons, Torrijos will try to show that he is keeping pressure on the US through gestures to third world and communist countries.

\* \* \*

Argentina's President Peron apparently is determined to resume her duties next week, despite strong pressure on her to extend her leave or even resign. The government has announced she will return to the capital on October 16 and attend an important Peronist rally the next day.

Both Acting President Luder and Interior Minister Robledo flew to the presidential retreat on Tuesday to confer with Peron. Luder almost certainly urged her to remain out of the picture, but Robledo, who is said to differ with Luder on the issue, may well have urged her to come back. According to a press account, the commander of the air force also visited the President to tell her of the military's desire that she prolong her vacation. The officers regard the controversy over her role and her demonstrated inability to lead as detrimental to the pursuit of their principal goal, the suppression of terrorism.

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**FOR THE PRESIDENT ONLY**

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Polish

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# The President's Daily Brief

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declassification schedule of E.O. 14176  
exemption category 5B(1),(2),(3)  
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*FOR THE PRESIDENT ONLY*

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*FOR THE PRESIDENT ONLY*

FOR THE PRESIDENT ONLY

## LEBANON

Prime Minister Karami reportedly has gotten the acquiescence of Syrian President Asad and leaders of the Palestine Liberation Organization to a plan to [redacted] impose a cease-fire in Beirut. The plan also calls for Palestinian forces to withdraw from Muslim areas of the city in order to avoid an army-fedayeen clash.

25X1

[redacted]  
 President Franjiyah and Interior Minister Shamun, both Christians, [redacted] pledged to support his peace plan and would not tolerate violations of the cease-fire by Christian Phalangists. Asad [redacted] agreed to the plan, provided Yasir Arafat went along with it. Arafat [redacted] was scheduled to meet with other Palestinian leaders [redacted] to get their agreement.

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25X125X1  
25X1

[redacted] Palestinian forces are more in evidence in a peace-keeping role. In addition, a flurry of political activity has led to widespread expectation in the capital that more effective action is being taken to end the fighting.

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however [redacted] the fighting will not end unless some fundamental changes are made in Lebanon's current political balance that would give the now politically favored, but outnumbered, Christians a lesser role. Radical leftists among the Muslims appear determined to continue the fighting; responsible Muslims are attempting to control them, but at the same time cannot allow the leftists to be crushed. Inevitably, even the [redacted] Muslims will be drawn into supporting the leftists if the Christians continue to refuse to make political concessions.

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The Phalangists remain intransigent, fearing that concessions will lead to their political demise. [redacted]

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[redacted] Many Christians also believe that the US and other Western powers will come to their rescue no matter how far they push the situation.

FOR THE PRESIDENT ONLY

**FOR THE PRESIDENT ONLY**

**LEBANON**

*We present below the major judgments of an Interagency Memorandum on Lebanon.*

--The spiraling cycle of violence in Lebanon has thrown the country's traditional political system seriously out of balance and has brought Lebanon the nearest it has been to national collapse.

--The need for fundamental changes in the 1943 National Covenant, which provides for a distribution of political posts that favors the Christians over the country's Muslim majority, is the central issue in the crisis. Whether the country drifts further into chaos depends primarily on some immediate concessions by the Christian leadership to the moderate Muslims' demands for greater political power, and a scaling down of leftist reform proposals.

--The principal stumbling blocks to a workable compromise appear to be the continued intransigence of the Muslim extreme leftists and the Christian Phalangist leader Pierre Jumayyil. The extreme leftists, abetted by the more radical Palestinian fedayeen "rejectionists," are seeking to overturn the political system through violence and see little reason to stop now. Jumayyil, on the other hand, is seeking to preserve the status quo and is making it difficult for the old-line Muslim and Christian leaders to cooperate by his refusal to discuss any changes in the 1943 Covenant.

--If the so-called Committee for a National Dialogue fails to reconcile soon some of the competing demands of Muslims and Christians, and the extremist groups are not curbed, the situation is likely to disintegrate into even more widespread violence leading to all-out civil war.

--Prolonged civil strife carries a high risk of military intervention by Syria and Israel, and the possible dismemberment of the country.

--Thus far, Israel has reacted with restraint, and Syria, along with Palestine Liberation Organization leader Yasir Arafat, has attempted to play an active mediating role. No major Lebanese Christian or Muslim leader appears deliberately bent on provoking Syrian or Israeli intervention, and no leader is actively seeking partition of the country.

(continued)

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

--A return to public order in the short term is dependent largely on the ability of Syria and the less radical fedayeen organizations to curb the small but dangerous extremist groups, restraint by Jumayyil's Phalangist militia, and the curbing of arms supplies to both Muslims and Christians.

--A joint Arab military force reportedly has been proposed by moderate Lebanese Christian and Muslim leaders to enforce a truce while a political compromise is negotiated. Such a force will be difficult to organize and deploy very soon and the effectiveness of such a force, if it materialized, would be questionable.

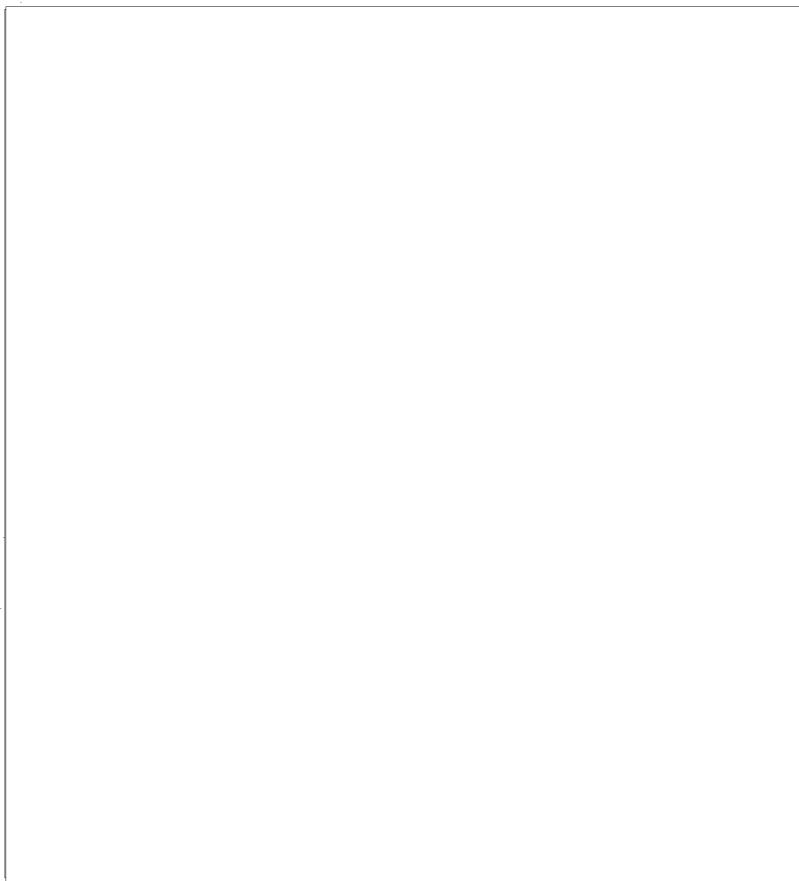
--A sense of national self-interest may overcome divisive forces, as it has in past Lebanese crises, but Lebanon is clearly at a crossroads. In the short term, the Muslims probably will not curb their demands for basic modifications in the Covenant, and the Christians may not agree to compromise under the duress of continued fighting.

--Even if compromise is achieved, the prospect for any quick return to stability is bleak. The government has shown no ability to exercise effective authority during the current crisis or to utilize the army to provide basic security. The communal tensions that have been inflamed over the past six months will not easily subside. Over the longer term, a more ideological division may develop within the country as moderate Christians and Muslims gravitate toward their more militant co-religionists.

--The Soviet Union has been attentive to the turmoil in Lebanon, but apparently has not tried to exacerbate it. As the divisions sharpen, the Soviets will be compelled to increase their assistance to the left and press the moderates for concessions. In the event of full civil war, or Syrian and Israeli intervention, Moscow probably would try to match any US role in dealing with the crisis, supporting Syria and the leftists and seeking to expose Sadat and moderate Arabs as insufficiently militant. However, we do not believe this would extend to direct Soviet intervention so long as the affair was restricted to Lebanon.

*FOR THE PRESIDENT ONLY*

USSR



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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

PORUGAL

*Government leaders continue their tough public line against leftist-inspired disorders and military indis- cipline, but so far they have taken no decisive action.*

A joint meeting of the cabinet and the Armed Forces Revolutionary Council was under way most of yesterday. The session, called by the cabinet to work out measures to restore order, has apparently not yet ended.

In its statement on Thursday calling for the joint meeting, the cabinet did announce the replacement of the leftist officials who had been in control of the Bank of Portugal. This is a vital step toward adoption of more realistic economic policies and a clear sign that Prime Minister Azevedo is still intent on reducing Communist influence in the government.

The military mutiny in Porto continues, and some 150 radical military policemen are said to have gone there to reinforce the dissident troops.

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There are some signs that the government is moving ahead in assembling the military intervention force it announced two weeks ago. Loyalist commandos are to form the backbone of the new force, which may ultimately grow to four battalions of 400 men each. Such a force could be a major help in restoring the government's authority.

The leader of the Popular Democratic Party, one of the two anti-Communist parties in the government, called on President Costa Gomes yesterday to give up his post as armed forces chief of staff. He said such a move would aid the government's effort to restore order. The President has been criticized by some anti-Communists for indecisiveness during the present turmoil, and the party leader presumably shares this view.

*FOR THE PRESIDENT ONLY*



FOR THE PRESIDENT ONLY

NOTES

Morocco recalled about 10,000 reservists to active duty on October 7 in order to bolster its logistic capabilities in the southern part of the country.

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A claim by a US grain company yesterday that the USSR has already bought close to the 30 million metric tons of grain it needs to cover this year's drought-caused shortfall is in substantial error.

The claim is consistent with the Soviet effort to minimize the seriousness of this year's production shortfall. Even with purchases this week of about 1 million tons of grain from Australia and Canada, total purchases to date do not exceed 22.5 million tons. Total Soviet needs this year exceed expected production of 155 to 165 million tons by at least 60 million tons.

\* \* \*

The West German government has decided to accept 3,000 Vietnamese and Cambodian refugees now in reception camps in the US and Guam.

The Minister-President of Baden-Wuerttemberg, when he announced this decision on October 8, implied that Bonn was acting in response to urgent requests from the US. The West Germans heretofore have accepted only a handful of refugees.

(continued)

*FOR THE PRESIDENT ONLY*

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*West German officials are apprehensive that  
the Soviet - East German treaty signed this week  
has ominous implications for West Berlin.*

The major concern is with article seven of the treaty, which they say distorts the language of the Quadripartite Agreement of 1971 to give the impression that East German and Soviet relations with West Berlin are on the same footing as those between West Germany and that city. We see no indications that the treaty presages a new Soviet - East German pressure campaign against West Berlin. Bonn, however, believes that Pankow and Moscow will increasingly try to bypass the Federal Republic and deal directly with the West Berlin authorities. Both have long attempted to reduce Bonn's influence in West Berlin, while enlarging their role in order to increase the city's dependence on them.

(continued)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

\* \* \*

*Chiang Ching, the wife of China's Mao Tse-tung, has suffered a series of setbacks this year that have virtually stripped her of the power she had wielded over cultural matters for nearly a decade.*

Her misfortunes raise serious doubts about her present and future role in politics. Significantly, Mao has been personally associated with the moves against his wife. It is now widely accepted in China that he has all but washed his hands of her. This deprives her of a powerful weapon she had used effectively in the past and could have been expected to use after Mao's death; namely, that opposition to her is tantamount to opposition to Mao, that she is the sole repository of Mao Tse-tung's thought, and that others in the leadership distort Mao's policies.

\* \* \*

*A sizable force of Cuban troops recently arrived in Angola to assist the Popular Movement for the Liberation of Angola.* [redacted]

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The troops may be used in a noncombat role to free local troops to take part in the Popular Movement's current drive on Nova Lisboa, the headquarters of the rival National Union for the Total Independence of Angola. Cuba has provided assistance to the Popular Movement for at least the past ten years, primarily in the form of training and technical assistance in Cuba and in Congo. A few Cuban technical advisers have been operating with the Popular Movement inside Angola for some time. [redacted]  
[redacted]

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*FOR THE PRESIDENT ONLY*

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# The President's Daily Brief

*October 13, 1975*

5

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declassification schedule of E.O. 11652  
exemption category 5B(1),(2),(3)  
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the Director of Central Intelligence

**FOR THE PRESIDENT ONLY**

October 13, 1975

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Portugal: Prime Minister Azevedo is expected to announce today new measures to restore public order and military discipline. (Page 2)

Notes: Morocco; Indonesia - Portuguese Timor  
(Page 3)

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**LEBANON**

*The situation in Lebanon is relatively quiet as implementation of the cease-fire moves slowly forward. Efforts to remove private militiamen from barricades apparently are making some progress, but snipers are still active in several Beirut suburbs. The killing of a Christian Phalangist leader by snipers on Saturday marred a reconciliation meeting between Muslim and Christian groups, but has not, as feared, triggered a new round of fighting.*

The uneasy cease-fire has allowed political attention to focus on the efforts of Lebanese and Arab leaders to deal with the crisis. Prime Minister Karami told Ambassador Godley that the Syrians, during the Damascus conference, persuaded Palestine Liberation Organization chief Yasir Arafat and Saïqa leader Zuhayr Muhsin to agree to dampen the fighting and to remove the barricades, if Interior Minister Shamun could persuade the Phalangists to do likewise.

Karami told Godley that the next step to a peaceful solution was to arrange a private meeting between Phalangist leader Pierre Jumayyil and leftist leader Kamal Jumblatt. The prime minister said that he was attempting to arrange such a meeting.

Karami denied that he had discussed with President Asad the possibility of using the army more overtly to maintain law and order. As of late yesterday, however, there were indications that the army had begun to assume some functions from the security forces in Beirut.

In his discussions with Godley, Karami was uncharacteristically critical of both President Franjiyah and Jumblatt. According to the prime minister, Franjiyah is totally ineffective and is concerned only with what he considers to be essential Christian rights. Karami described Jumblatt as acting in a totally irresponsible manner and as contributing nearly as much as Franjiyah to the demise of Lebanon.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**PORUGAL**

*Prime Minister Azevedo is expected to announce today new measures to restore public order and military discipline.*

The cabinet decided last Thursday to take tough measures to restore order, but Azevedo had to wait to get backing from top military leaders of the Revolutionary Council. The Cabinet and the Council met in a marathon session Friday night and Saturday morning and issued a communiqué expressing complete support for Azevedo.

Speculation in Lisbon on the measures Azevedo will announce today, center on rumors that President Costa Gomes will give up his post of Armed Forces Chief of Staff to an advocate of stern discipline--a move called for earlier by Popular Democratic Party leader Sa Carneiro. Central military region commander General Charais--an original member of the "Antunes nine" which led the anti-Goncalves move in August--is being touted for the job. Such a move would reduce the influence of Costa Gomes

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*[redacted] It would also side-step Army chief Fabiao, who is viewed as lacking the necessary decisiveness to restore discipline in the military.*

Azevedo's hand should also be strengthened by progress in the formation of the military intervention force. The new unit reportedly will be made up of the crack commando unit stationed just outside Lisbon, as well as elements from the marines and paratroopers. The commando unit is being augmented by calling some former members back into service, a procedure that should deepen the conservative orientation of the intervention force.

**FOR THE PRESIDENT ONLY**

**FOR THE PRESIDENT ONLY**

**NOTES**

Moroccan King Hassan arrived in Marrakech on Thursday for what the press has described as a week's visit.

The King's trip to the southern city probably is related to Mauritanian President Ould Dada's visit this week for discussions on Spanish Sahara. Our embassy in Rabat believes, however, that the King's conversations with the Mauritians in Marrakech may be part of his strategy to couple a reasonable public posture with preparations for military action. The embassy points out that Marrakech was the King's military headquarters during the war in 1963 against Algeria.

\* \* \*

Indonesian President Suharto has ordered the reinforcement of positions along the Portuguese Timor border, following reversals last week at the hands of Fretilin troops.

Early in the week, Fretilin forces pushed Indonesian special forces troops out of Batugade, the last Indonesian stronghold on the Portuguese side of the border. As a result of this setback, Suharto ordered his troops patrolling the border to pursue any Fretilin forces intruding into Indonesian territory back into Portuguese Timor. Late last week after several more border clashes, Indonesian troops launched an attack against Fretilin positions near the border and retook Batugade.

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# The President's Daily Brief

*October 14, 1975*

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exemption category 5B(1),(2),(3)  
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Lebanon: The situation remains relatively calm; Prime Minister Karami, however, apparently foresees little progress beyond the solution of immediate security problems. (Page 1)

Portugal: Prime Minister Azevedo last night announced new steps to bring the economy under control, but did not offer any specific proposals to counteract public disorder and military indiscipline. (Page 2)

Turkey: The results of Turkey's midterm parliamentary elections on Sunday have somewhat strengthened Prime Minister Demirel's position. (Page 3)

Spain: Military officers are divided as to the role they should play in politics and in restoring public order. (Page 4)

Note: France-USSR (Page 5)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

LEBANON

*Lebanon remains relatively calm as implementation of the latest truce continues. Sniper activity and occasional gun battles persist in several Beirut suburbs and in the Tripoli-Zagharta area.*

A spontaneous reconciliation between a Muslim district in Beirut and a neighboring Christian community--where fighting has been especially intense--is widely regarded as one of the most hopeful developments of the past few weeks.

The improved security situation in the city has permitted the resumption of some essential services, including the resupply of hospitals and the delivery of much-needed food and fuel. The business and banking communities, however, are taking a wait-and-see attitude toward the cessation of fighting.

In his discussions with Ambassador Godley, Prime Minister Karami has appeared to foresee little progress beyond the solution of immediate security problems. Karami seemed only slightly encouraged by the decision of Arab League foreign ministers to hold a special session this week to discuss the Lebanese situation. The meeting is scheduled to convene in Cairo on Wednesday. Kuwait reportedly will submit a proposal for the formation of a joint Arab force to guarantee the cease-fire. It is questionable whether the Arabs, as a group, can accomplish much more than Syria has done alone.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**PORtUGAL**

*Prime Minister Azevedo in a speech last night announced new steps to bring the Portuguese economy under control. He did not, however, offer any specific proposals to counteract the immediate problems of public disorder and military indiscipline.*

Azevedo, who received pledges of support from the cabinet and the military Revolutionary Council late last week, had been expected to call for strong curbs on leftist dissidents. Instead, he merely said the government "will answer the attempts to overthrow it by continuing to govern." President Costa Gomes' indecisiveness and unwillingness to provoke a confrontation probably account for Azevedo's inability to respond to leftist provocations.

In his speech, the Prime Minister appealed for popular support to improve the economy, which suffers from an unemployment rate of more than 10 percent, declining production rates, and an exceptionally large budget deficit. He urged workers to withhold excessive wage claims, increase production, and end the illegal occupation of farms and houses. His pleas will probably have little effect, since many of the labor disputes and illegal occupations have been incited by the far left and the Communist Party in an effort to shorten the life of the Azevedo government.

Azevedo said the entire population will be forced to undergo a "period of relative austerity" in order to turn the economy around. Government measures will include price hikes, an increase in indirect taxation, restrictions on imports, and reinforcement of public investment.

The Prime Minister took pains to explain the government's decision to seek foreign loans to cover the budget deficit--an approach that is anathema to Portuguese leftists.

Several West European governments have indicated their willingness to extend immediate loan assistance to Lisbon; recent EC and US pledges of support are in the form of project aid and cannot be implemented quickly. The loans, however, are contingent on Portugal's putting together a viable economic program.

*FOR THE PRESIDENT ONLY*

**TURKEY**

*The results of Turkey's midterm parliamentary elections on Sunday have somewhat strengthened Prime Minister Demirel's position. His conservative Justice Party won half of the 54 Senate seats at stake and 5 of the 6 vacant National Assembly seats.*

In percentage of the total vote, Demirel's party improved its position compared with that of 1973 but still polled a lower percentage than the major opposition party--Bulent Ecevit's Republican People's Party. The latter won 25 seats in the Senate and 1 in the Assembly.

The statistics on the share of the total vote may not accurately reflect the nationwide strengths of the two parties. A larger percentage of the seats contested Sunday were in strongholds of the Republican People's Party than would be the case in a general election.

Turkey's minor parties did poorly. US embassy officials believe Turkey may be moving back toward a two-party system after two years during which no party has had a majority in parliament. During this period, the country has been served by a succession of weak coalition governments.

Among the small parties that lost ground was the National Salvation Party--the government's coalition partner. The uncompromising position of its leader, Necmettin Erbakan, on a variety of issues has largely immobilized Demirel's government. The party's poor showing in the election could give Demirel more flexibility in dealing with a broad range of problems, including Cyprus.

## FOR THE PRESIDENT ONLY

## SPAIN

*Three more middle-level officers were arrested last week in Barcelona in connection with the investigation of an underground network of dissidents in the military. Nine officers arrested last July are now detained in Madrid awaiting trial for illegal political activity. Four of these nine are being held incomunicado, a sign that they face serious charges.*

Some Spanish authorities are concerned that overly harsh treatment of the arrested officers will drive more junior officers into the dissident camp. [ ] the need to defuse the situation was a reason behind military command changes announced over the weekend. The new commander in Madrid is said to be more likely than his predecessor to recommend light sentences.

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The dissident group--known as the Democratic Military Union--is composed of officers and non-commissioned officers from the army, navy, and air force. [ ]

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[ ] Goals of the organization include Franco's abdication, establishment of a plural party system, and improved standards of efficiency in the armed forces.

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The military is divided as to what role it should play in restoring public order in Spain. Ultrarightists would like to see the army participate in the campaign against Spanish terrorists, but a majority of senior officers seem to disagree. They believe such a role would discredit the army's image and make it more difficult for the military to maintain order in the post-Franco period.

This latter view was evident in two speeches by senior Spanish officers over the weekend. Navy Minister Admiral Pita de Veiga said Spain was living through delicate moments and that it was the military's task to "stand firm so that politicians can do their politicking." General Guitana, commander of the military academy, took an even more reserved position when he said simply that "the army is above politics."

*FOR THE PRESIDENT ONLY*

NOTE

*French President Giscard d'Estaing arrives in  
the USSR today for another in the series of periodic  
Franco-Soviet summits.*

*Although the main purpose of the trip is to  
preserve the appearance of a "special relationship,"  
the Soviets will probably seek a generalized French  
endorsement of detente and of the results of the  
European security conference.* [redacted]

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# The President's Daily Brief

October 15, 1975

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Exempt from general  
declassification schedule of E.O. 14176  
exemption category 5B(1),(2),(3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

October 15, 1975

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Lebanon: The security situation in Beirut continued to improve yesterday. (Page 1)

Morocco-Spain: King Hassan reportedly has privately informed Madrid that Morocco will not start a war with Spain over Spanish Sahara. (Page 2)

Greece-Cyprus-Turkey: Prime Minister Caramanlis has indicated that he expects the US to take the initiative to solve the Cyprus problem, now that the arms embargo against Turkey has been partially lifted. (Page 3)

Portugal: The government apparently ended the mutiny in Porto last night by making concessions. (Page 4))

Notes: USSR; Panama (Page 5)

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**LEBANON**

*The security situation in Beirut continued to improve yesterday. While some incidents occurred, the city's commercial life gathered momentum with banks and most businesses open. Evening curfew hours have been reduced, and Lebanese security officials believe that the parties to the conflict are serious about implementing the cease-fire.*

Syrian actions continue to be a major factor in the improved situation. Zuhayr Muhsin, leader of the Syrian-controlled Saiga fedayeen organization, has been active in mediating between the Christians and the Muslims in the Tripoli area, where the situation yesterday was described as calm.

At Monday's meeting of the national conciliation committee, the members for the first time moved to address the fundamental problems underlying the crisis. Subcommittees were formed to consider political, economic, and social reforms. The committee met again yesterday. Prime Minister Karami announced after the meeting that the political reform subcommittee will hold its first session tomorrow. There is still no indication, however, that the Phalangists are ready to agree to the modification of the existing governmental structure to permit the Muslims greater political power.

Syria and the Palestine Liberation Organization, meanwhile, reportedly have decided not to attend a foreign ministers' conference in Cairo. The Syrians, who consider Lebanon to be within their sphere of influence, oppose "Arabizing" the crisis. A PLO spokesman described the conference as an attempt to divert attention from the recent Egyptian-Israeli Sinai agreement. Cairo, concerned that the meeting would be used as a forum by critics of the Sinai agreement to attack Egypt, presumably will not be displeased by the absence of the PLO or Syria.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

MOROCCO-SPAIN

*King Hassan*

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[redacted] will not start a war with Spain over Spanish Sahara. Madrid is taking Hassan seriously and now believes that Morocco will wait for a Spanish withdrawal before occupying the region.

Hassan may be trying to create an atmosphere conducive to bilateral negotiations with Spain. The King can be expected to express concern over a UN group's fact-finding report that recommends "consultation" with the Saharan people to determine their wishes. The report, however, stops short of backing a referendum. Morocco opposes a referendum on the grounds of historic sovereignty over the region. Hassan is also concerned that the International Court of Justice's advisory opinion, reportedly to be delivered tomorrow, may go against Moroccan and Mauritanian claims to the territory.

The King, on the other hand, may only be signaling that Moroccan troops will avoid direct contact with Spanish forces. Rabat has taken various measures to meet any military contingency that may arise with Spain or Algeria over the Saharan problem.

Madrid views the threat of imminent hostilities as receding, and probably would welcome negotiations with Morocco. A high-level Spanish official told one of our embassy officials last weekend that Madrid was even willing to stage a referendum in Spanish Sahara in which Saharans would vote for "association" with Morocco. Spain still seems unwilling to disregard Algeria's interest, however. The Spanish official said an agreement between Algeria and Morocco would have to be part of any settlement.

The Algerians would almost certainly oppose any attempt by Morocco or Spain to rig a referendum. In a speech to the UN General Assembly last week, Algerian Foreign Minister Bouteflika unequivocally supported a referendum on self-determination for Spanish Sahara, provided it were "supervised and guaranteed by the UN." A referendum independent of Spanish control would be likely to favor independence rather than union with Morocco.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**GREECE-CYPRUS-TURKEY**

*Greek Prime Minister Caramanlis has indicated that he expects the US to take a new initiative to solve the Cyprus problem, now that Congress has partially lifted the arms embargo against Turkey. The Turks have suggested to our ambassador in Ankara that they will be more flexible on the issue.*

Caramanlis indicated his willingness to be flexible about possible terms for a settlement, but expressed bitterness at Cypriot President Makarios' inflexibility and was pessimistic about the Turks' willingness to negotiate seriously. The Prime Minister has urged principal opposition leader George Mavros to tone down opposition attacks against Secretary Kissinger.

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On Monday, Turkish Foreign Minister Caglayangil told Ambassador Macomber that Ankara is in a position to be flexible on Cyprus, now that the election is over and the embargo is relaxed. Caglayangil stressed that his remarks were unofficial, but he indicated that the Turkish government probably would call for resumption of the intercommunal talks--suspended since early September--next week.

Caglayangil's optimism regarding Cyprus contrasted markedly with his pessimism when asked about the possibility of reactivating US bases in Turkey. He hinted that his government now wants to open negotiations for a new defense cooperation agreement, but he insisted that the US bases cannot be reactivated until at least the essentials of a new agreement are worked out. Caglayangil's negative tone may be a deliberate negotiating posture designed to encourage the complete lifting of the arms embargo on Turkey, but it is also possible that the government has not yet decided how to deal with the bases issue now that the embargo has been partially lifted.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

PORUGAL

*The government apparently ended  
the mutiny in Porto last night by  
making concessions to the dissident  
artillerymen.*

The rebels took over their regiment a week ago, demanding that a leftist transportation unit disbanded by northern military region commander General Pires Veloso be reconstituted. Veloso refused to negotiate with the troops and remained firm in his determination to restore discipline to the units under his command.

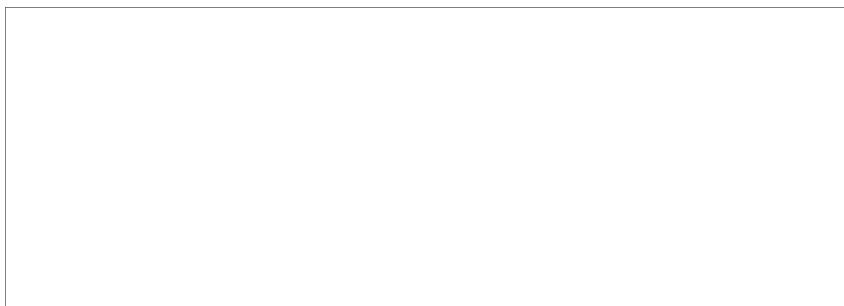
Army Commander in Chief General Carlos Fabiao flew to Porto yesterday to discuss the situation with Veloso and the rebels. Fabiao met with the rebel leaders and proposed that the transportation regiment be reconstituted as an operational combat unit. The unit had been a haven for sons of the upper class and had avoided any combat.

The compromise undercuts Veloso's drive for discipline and could lead to further military problems. Whether Fabiao, whose support of the Azevedo government has become more suspect in recent days, had the full backing of the Lisbon government in conceding to the dissidents is unclear. If he did, it is possible that the regime may have felt that it could regain control of the regiment by removing the issue, or failing that, would at least gain some time.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES



\* \* \*

*Panama's celebration on October 11 of the 1968 "revolution" that brought General Omar Torrijos to power was a peaceful, generally sober affair, with the crowd of about 35,000 falling far short of government expectations.*

*Torrijos' speech emphasized the need for patience during prolonged canal treaty negotiations. Government security measures helped ensure the absence of anti-US demonstrations.*

*FOR THE PRESIDENT ONLY*

*Top Secret*



*[Handwritten mark: a large, stylized letter 'K' with a diagonal line through it]*

# The President's Daily Brief

*October 16, 1975*

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~~Top Secret~~ 25X1

Exempt from general  
declassification schedule of E.O. 11652  
exemption category 5B(1),(2),(3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

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(Page 1)

EC-Portugal: Prime Minister Azevedo's speech to the nation on Monday emphasized the country's enormous economic problems. (Page 2)

Israel: Our embassy in Tel Aviv reports that most Israelis now appear convinced that the Sinai agreement with Egypt is a positive development.  
(Page 4)

Notes: Portugal; USSR; Laos; Iraq-USSR; France-USSR; Egypt-Syria (Pages 6, 7, and 8)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

LEBANON

Serious clashes on Tuesday night between Christian and Muslim militiamen in the eastern suburbs of Beirut have jeopardized the truce. Although the fighting tapered off by midday yesterday, banks and most shops remained closed. Tripoli reportedly was calm.

Reports on efforts to resolve the underlying issues indicate that the Christians, especially the Phalangists, clearly are attempting to shift the focus of political attention away from the question of Muslim-Christian power-sharing to the issue of Lebanese-Palestinian relations. [Phalangist] organization is prepared to solve its problems with the fedayeen through the Arab League or UN, it will continue fighting until control of Lebanese territory is restored to the Lebanese government.

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The Palestine Liberation Organization apparently is willing to work out a compromise on the issue of territorial control. The PLO [ ] will agree to withdraw from any territory that it has occupied since the fighting began in February, except the refugee camps themselves. In return, the PLO wants Phalangist agreement, and a reaffirmation by the Lebanese government, that the Palestinian resistance movement has a right to exist in Lebanon and be supported by the Lebanese government. The PLO also believes that the Phalangists will have to agree to a more equitable redistribution of wealth in the country.

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The PLO claims that at present it has effective control of approximately two thirds of Lebanon, including all major cities, with the exception of about one third of Beirut. Since the latest round of fighting began, fedayeen strength reportedly has increased. Fatah has moved almost all of its forces into the country and plans to keep them there. Saiga has reinforced its forces in both Tripoli and Beirut; many of these men are reported to be regular Syrian troops of Palestinian origin.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**EC-PORTUGAL**

*Prime Minister Azevedo's speech to the nation on Monday emphasized the country's enormous economic problems, in particular the balance-of-payments deficit. Without foreign assistance, this year's balance-of-payments deficit would likely reach \$1.1 billion; foreign exchange reserves would be exhausted by year-end, but Portugal still would have gold reserves worth about \$4 billion at the current market price.*

The trade deficit will total almost \$2 billion again this year, despite the import surcharge imposed last May. Many essentials supplied for the Angolan refugees entering Portugal will have to be imported, at the same time as domestic economic difficulties are hurting exports. Earnings from tourism are down sharply, private investment inflows have almost ceased, and remittances from Portuguese working abroad are stagnating.

Lisbon's immediate aim is to try to obtain funds from the International Monetary Fund and the Bank for International Settlements. Only \$50 million remains to be drawn on a loan from the Bank for International Settlements. Portugal has already used most of its automatic credits at the Fund. It will continue to press--with European Community support--for additional funds, including loans from the oil facility. Such borrowing could cut this year's payments deficit to about \$950 million. Foreign exchange reserves would then probably last until January 1976.

Over the medium term, Lisbon will look to the US and the EC for credits and use its large gold reserves as collateral for loans from US and European private banks. A gold pledge amendment is being negotiated for a \$150-million loan from a consortium led by a London financial institution.

For its part, the EC will provide Portugal with about \$175 million from the European Investment Bank over a period of two years for specific projects. The Nine will guarantee the loan and

(continued)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

assume the cost of a 3-percent interest rate subsidy, which adds approximately \$35 million to the cost of the program. Two million dollars in direct food aid will also be provided as part of the Community's disaster relief effort for the Angolan refugees.

The EC is trying to expedite the flow of aid, but funds cannot be transferred until individual projects are approved, and this is not expected until mid-1976 at the earliest. EC Commission and European Investment Bank teams will travel to Portugal to help prepare appropriate projects.

The West Germans have already committed some \$28 million in low-interest loans to be used for investment in small and medium-sized enterprises and for Angolan refugee assistance. The Netherlands and Denmark also are expected to provide aid, with The Hague expected to give \$19 million.

These measures are seen as only a first step in offsetting Portugal's acute balance-of-payments problem. Lisbon looks to a more liberal EC trade policy as a more effective long-term solution. Negotiations should begin before the end of the year on the "evolutionary clause" of the 1973 preferential trade agreement between Portugal and the Community. The EC Commission has suggested a variety of approaches which include an across-the-board reduction of tariffs on Portuguese goods, extending preferential treatment for agricultural products, improving benefits under the Community's generalized system of trade preferences, and providing about \$400 million in loans under a new financial protocol. The foreign ministers of the Nine will meet in December to set specific guidelines for these negotiations.

*FOR THE PRESIDENT ONLY*

**ISRAEL**

*Our embassy in Tel Aviv reports that most Israelis now appear convinced that the Sinai agreement with Egypt is a positive development. Politicians and public organizations are turning their attention to negotiations with Syria.*

Prime Minister Rabin's stock received a healthy boost as a result of what is generally regarded in Israel as his skillful handling of the Sinai negotiations. According to the embassy, most members of the Labor Alignment have swung from lukewarm support of the Sinai pact to the conviction that Rabin's strategy in pursuing the negotiations has been vindicated. Labor Party members in the Knesset have been surprised by the intensity of the attacks on President Sadat by radical Arabs and the Palestine Liberation Organization. They have also been pleasantly surprised by Sadat's vigorous defense of his action, and are hopeful that this might strengthen Cairo's commitment to a moderate policy.

The military has come out in support of the agreement, with Israel's chief of staff and other senior military officers speaking publicly in its behalf. They argue that, although Israel will surrender some territory, the agreement may actually put the country in a better position to defend itself, largely because the enlarged UN buffer zone and the presence of US technicians reduce the chances of a surprise attack.

Israeli hard-liners, led by the opposition Likud and the youth faction of the Alignment's largest coalition partner--the National Religious Party--still oppose the agreement. They argue that while Sadat may have changed his tactics, his anti-Israel strategy remains the same. Many other Israelis remain skeptical of Sadat's ability to carry out the agreement over the continuing objections of Arabs who want him to scrap the pact.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

There is a widespread expectation in Israel that Secretary Kissinger will undertake exploratory talks for Syrian-Israeli negotiations in the near future. The Israelis anticipate that Damascus will modify its current hard-line negotiating position and that Washington will eventually confront Tel Aviv with some painful choices over the Golan. Rabin probably fueled speculation along these lines when he told a television interviewer on Tuesday that he regarded Syrian President Asad's recent trip to Moscow as having a political and strategic importance "of the first order." It is related, he said, to reassessments being conducted by both Damascus and Moscow in the wake of the Sinai accord.

*FOR THE PRESIDENT ONLY*

***FOR THE PRESIDENT ONLY*****NOTES**

*The concessions granted by Portuguese army chief General Fabiao to dissident troops in Porto on Tuesday may only encourage further rebellion. The rebels, who occupied an artillery garrison for over a week in defiance of the regional commander, have announced that they will meet next week to "study ways of continuing the struggle."*

Many of the soldiers involved in the mutiny are said to be members of the "Soldiers United Will Win," a radical organization that issued a statement last weekend denouncing the "bourgeois army" and advocating the creation of a "popular revolutionary army." [redacted]

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*The Soviet media campaign condemning the Nobel peace award to Andrey Sakharov picked up steam yesterday with the first domestic press blast at the dissident physicist.*

The name-calling may be laying the groundwork for either disallowing Sakharov's wish to go to Oslo, or, if permission is granted, preventing his return home. Sakharov already has said that it would "violate the spirit of detente" if he is not allowed to go to Oslo for his award. So far, the orchestration of the anti-Sakharov campaign is strikingly similar to that mounted against Aleksandr Solzhenitsyn five years ago. The Kremlin's decision on how to handle Sakharov's case, which is likely to be made at the Politburo level, will be even more difficult now that the prominent, non-dissident Leonid Kantorovich has been named co-recipient of the 1975 Nobel prize for economics. The leadership may find it perplexing to charge the Nobel officials with playing politics in Sakharov's case, while recognizing in Kantorovich--a Lenin prize winner--the work of a major, establishment scientist.

(continued)

*FOR THE PRESIDENT ONLY*

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*The celebrations commemorating the 30th anniversary of the Lao independence movement underscore the fact that Prime Minister Souvanna Phouma no longer has a meaningful role in the government of Laos.*

The communists hustled Souvanna--a founding member of the original Lao independence movement in 1945--out of Vientiane to Luang Prabang to prevent him from participating in the mass celebration in Vientiane. Independence day speeches and commentaries in the Lao communist media emphasized that the community party--the Lao People's Revolutionary Party--will now govern Laos. Although Kaysone Phomvihan was not explicitly identified as the top man in the party, the fact that he delivered the keynote address is a clear indication that he occupies the senior position. In his speech, Kaysone said that the communists were willing to maintain diplomatic relations with Washington if the US: respected the sovereignty and independence of Laos; did not interfere in the internal affairs of Laos; ceased support for the Lao rightists; kept its promise to "help heal the wounds of war"--a catch phrase for new aid. The inclusion of the aid provision gives the communists a pretext for breaking relations or for further harassing our embassy in Vientiane at any time.

\* \* \*

*Iraq has received Scud surface-to-surface missiles from the USSR.*

The Soviets have been preparing for some time to send Scuds to Iraq, which is expected to form three Scud battalions--possibly with three or four launchers for each battalion. [redacted]

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[redacted] Scuds based in Iraq could not reach Tehran, but several important airfields in western Iran would be within range of the 160-mile missile.

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*FOR THE PRESIDENT ONLY*

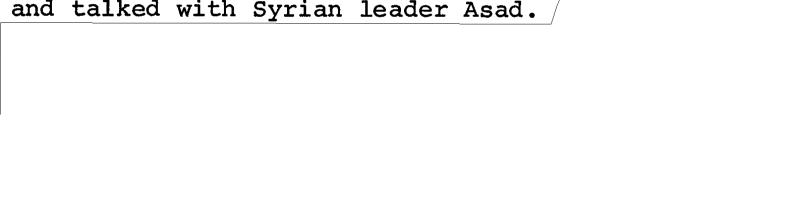
*FOR THE PRESIDENT ONLY*

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The Soviets yesterday requested the postponement until tomorrow of a second day of scheduled talks between visiting French President Giscard d'Estaing and General Secretary Brezhnev. Late last night, a spokesman for Giscard in Moscow said the final round of talks on Saturday also has been canceled.

Brezhnev, President Podgorny, and Premier Kosygin all met the French President at the airport on his arrival, and all three participated in the first day of talks Tuesday. With the exception of the postponement of talks--Foreign Minister Gromyko also canceled his session with French Foreign Minister Sauvanargues--the full protocol amenities have been observed. One possible explanation is that Brezhnev, who has had an unusually heavy schedule of public duties in the past ten days, had become over-tired. He has met with Portuguese President Costa Gomes, participated fully in the three-day visit to Moscow of East German party boss Honecker, and talked with Syrian leader Asad.

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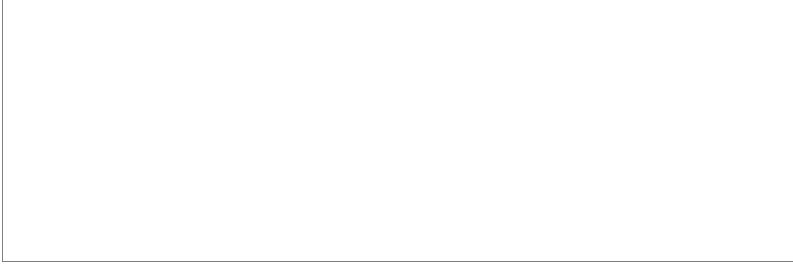
Egypt

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Syria

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*FOR THE PRESIDENT ONLY*

*Top Secret*



# The President's Daily Brief

*October 17, 1975*

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Exempt from general  
declassification schedule of E.O. 13652  
exemption category 5B(1),(2),(3)  
Declassify only on approval of  
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*FOR THE PRESIDENT ONLY*

October 17, 1975

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Lebanon: Beirut was generally quiet yesterday, although some sniping continued to occur.  
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Argentina: President Peron's resumption of her office, in the face of opposition from several powerful sectors, is likely to intensify the country's political and economic crisis.  
(Page 2)

EC: As a result of Britain's insistence on a seat at the producer-consumer conference in December, both London and its EC partners are seeking support from the US in the dispute.  
(Page 3)

Notes: USSR-France; Egypt; Morocco - Spanish Sahara; Angola; USSR-Syria; Ethiopia; USSR  
(Pages 4, 5, and 6)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

LEBANON

*Beirut and its suburbs were quiet during the night. Only occasional sniping marred the calm in the capital yesterday as a number of banks and shops reopened. No incidents were reported in Tripoli and Zahlah yesterday.*

The Arab League foreign ministers' conference ended yesterday without any concrete proposals to end the fighting. The final communiqué appealed for self-restraint and urged Arab League members to provide Lebanon with financial aid. The absence of Syria and the PLO eliminated any chance the conference might have had to achieve substantial results. Libya also did not attend.

The national reconciliation, or dialogue, committee has not met for two days, and no schedule has been announced for its resumption. The recently formed political reform subcommittee did meet yesterday, with both leftist Kamal Jumblatt and Phalangist leader Pierre Jumayyil in attendance. The prospects for any progress by the political subcommittee, however, do not appear to be good.

Lebanese security officials have become increasingly concerned over foreign involvement in the crisis.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

ARGENTINA

*President Peron's resumption of her office, in the face of opposition from several powerful sectors, is likely to intensify the country's political and economic crisis. There have been warnings of violence during her rally today and rumors that Americans will be targets.*

Many middle-of-the-road political and union leaders had joined the military high command in pressing Peron to extend her leave of absence. They believed that the governing team of Acting President Luder, Interior Minister Robledo, and Economy Minister Cafiero was making creditable progress in the key areas of the economy and counterterrorism. Other Peronists, particularly those conservative labor bosses who have staked their political future on her retention of the presidency, urged her return. Their support reinforced Peron's own stubborn determination to continue her husband's work.

The forces arrayed against Peron could have prevented her return. They chose not to, however, because she is the legitimate president, and most Argentines still prefer a constitutional solution to their leadership crisis. This sentiment, although steadily eroding, was strong enough to convince military leaders to give up their efforts to keep the President away from Buenos Aires. They have apparently decided again to stand aside and allow her government to fall victim to its own incompetence. Public disenchantment, they apparently reason, will create a situation amenable to more direct military intervention in politics.

For the present, Peron's acceptance of the role of a merely ceremonial head of state and the success of Cafiero's economic program is crucial to her survival. If she listens to the high command and allows Robledo and Cafiero a free hand, her government could limp along for several more months, with the military staying on the sidelines. If she insists on trying to rule as well as reign, the best she can expect will be another period of enforced rest away from the capital.

*FOR THE PRESIDENT ONLY*

EC

*As a result of Britain's insistence on a seat at the producer-consumer conference in Paris in December, both London and its EC partners are seeking support from the US in the dispute. Unless the controversy is resolved, consumer country unity at the December meeting may be seriously weakened.*

Foreign Secretary Callaghan has bluntly reaffirmed the UK's intention to hold out for a place apart from the seat designated for the EC. If denied its own seat, Callaghan told Ambassador Richardson, Britain will not consider itself bound by the conference's outcome. The Foreign Secretary said that the UK would be grateful for US backing, although he is not asking formally for it.

Prime Minister Wilson feels he must demonstrate to the British public that his government will not agree to any EC stand on energy that might compromise national control over Britain's North Sea oil.

London also believes that since there is no chance of reaching common EC positions on non-energy matters, Britain must be able to state its own case. The UK, for instance, has proposed ideas on the economic development of poorer nations that could be watered down in a common EC approach. Callaghan has referred specifically to Britain's key role in international banking and finance as justification for a separate chair at the conference.

West German Chancellor Schmidt has written to Wilson, as well as to the other EC partners, stressing the need for a unified Community representation at the Paris meeting.

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The Germans are clearly worried that London's demand for a separate seat jeopardizes not only EC solidarity but also the producer-consumer conference. Bonn--heavily dependent on imported oil and other raw materials--has been counting on the impetus the conference would provide toward strengthening a consumer front.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES

The Soviet news agency Tass issued a report yesterday on French President Giscard's visit to Moscow that is almost certainly designed to quiet speculation about the import of the postponement of General Secretary Brezhnev's second meeting with Giscard.

The French are also playing down the significance of the postponement. In Kiev, where he spent yesterday sightseeing, Giscard said that a political cooperation document will be signed today that will further develop detente. A French diplomat told our embassy that the leaders will hold talks today and sign several bilateral agreements and the political cooperation statement. He acknowledged that the statement was still being worked on.

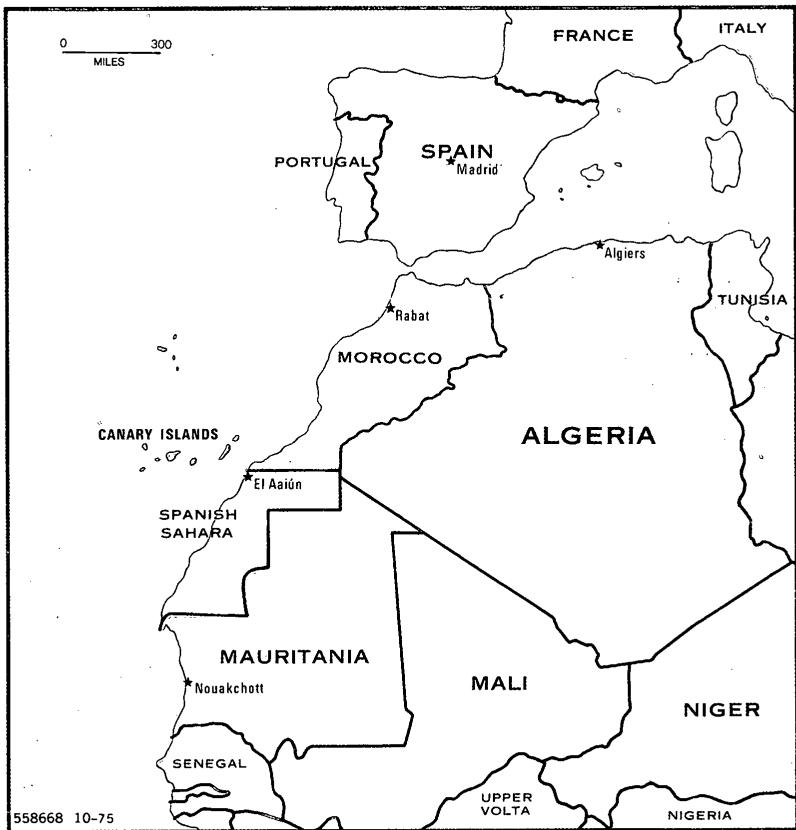
\* \* \*

Authorities in Egypt are worried that leftist students, who organized an anti-government conference last month, will turn to violent protests after the universities open on Saturday.

In an attempt to mollify the bulk of the students, the government has announced that textbook prices, long a source of student complaints, will drop. In addition, President Sadat and other officials are scheduled to meet with students next week, and the Arab Socialist Union has established a new youth organization. The authorities are also considering a postponement of the school opening by at least a week.

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*FOR THE PRESIDENT ONLY*



*FOR THE PRESIDENT ONLY*

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*In a nationwide address yesterday, Moroccan King Hassan announced that he will organize a peaceful mass march into Spanish Sahara by 350,000 unarmed Moroccans.*

Hassan's speech followed the release of an advisory opinion by the International Court of Justice that Morocco's historic ties with the Sahara neither established territorial sovereignty nor precluded the application of the principle of self-determination. The King claimed that he was not seeking a fight with Spanish forces and urged Madrid not to use force against the unarmed Moroccan marchers.

\* \* \*

*The Popular Movement for the Liberation of Angola may be moving toward a unilateral declaration of independence before November 11, the date Lisbon is scheduled to transfer sovereignty.*

In a speech earlier this week in Luanda, Movement President Agostinho Neto declared that his organization will proclaim independence for Angola "within a few weeks come what may." His remarks may have been prompted by a growing concern within the MPLA that Portugal is determined not to transfer sovereignty to a single liberation group. Many Movement officials now believe that the organization must assume power on its own before November 11 or risk losing the political advantages it now holds.

\* \* \*

*The USSR and Syria have been applauding their recent round of consultations, but there are some indications that they are not seeing eye to eye on Middle East negotiations.*

Syrian Foreign Minister Khaddam and Defense Minister Talas, who remained in Moscow after President Asad's visit last week, returned home late Wednesday. Their talks were described only as "friendly and businesslike" and as an "exchange of opinions"--language which, along with the brevity of the communiqué on Asad's visit and the failure of either side to publicize the toasts exchanged by Brezhnev and Asad, suggests there were differences.

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*FOR THE PRESIDENT ONLY*

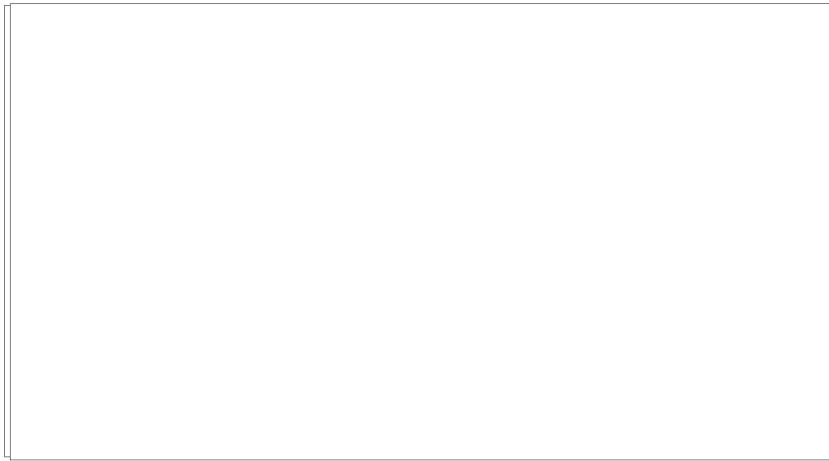
*FOR THE PRESIDENT ONLY*

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*In the face of mounting unrest, Ethiopia's ruling military council in recent weeks increasingly has resorted to repression against its opponents and suspected dissidents.*

Widespread arrests have been reported since the council declared a state of emergency in Addis Ababa last month in an attempt to put an end to a strike by workers protesting the council's policies. The proclamation suspended most civil rights and gave the security forces almost unlimited powers of search and seizure, including the right to shoot anyone violating the ban on strikes. In Eritrea Province, the government has intensified its use of harsh and indiscriminate measures against the civilian population in retaliation for assassinations by insurgents.

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# The President's Daily Brief

October 18, 1975

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Exempt from general  
declassification schedule of E.O. 11652  
exemption category 5B(1),(2),(3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

October 18, 1975

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[Redacted]

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Egypt-UN: Cairo's political maneuvering is causing last-minute problems as the UN Security Council prepares to vote on renewing the mandate of the UN force in the Sinai, which expires next Friday. (Page 2)

Israel: Defense Minister Peres has elaborated his position on several key issues regarding future Arab-Israeli negotiations. (Page 3)

Lebanon: [Redacted] a PLO document that represents a major effort by the PLO to improve its relations with the Lebanese government. Clashes in Beirut overnight ended two days of relative calm. (Page 5)

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Portugal: The anti-government campaign being waged by the left has sparked rumors that radical military officers are planning a coup. (Page 7)

Notes: USSR; Israel-Syria; Angola; Argentina  
(Pages 8 and 9)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

USSR

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

EGYPT-UN

*Egyptian political maneuvering is causing last-minute problems as the UN Security Council prepares to vote on renewing for one year the mandate of the UN Emergency Force in the Sinai, which expires next Friday.*

Cairo says it will refuse to approve any document or resolution that mentions Israeli acceptance of a renewed mandate. The Egyptians say that, because the UNEF operates on their territory, Israel can have no acknowledged voice in determining the duration of the mandate. In the past, the Egyptians have gone along with the UN practice of asking both parties to consent to an extension.

This time, the Egyptians are particularly anxious to show their Arab allies that the UNEF operates solely at the sufferance of Egypt and that relevant decisions are not determined by Israel. Egypt is thus trying to limit the damage caused in its relations with some Arab states--notably Syria--by its decision to sign the latest disengagement accord.

Secretary General Waldheim is to release his report on UNEF's operations for the Security Council's consideration before the vote on renewal next week. The report is not likely to touch on sensitive political issues, but financing of an enlarged force to carry out expanded responsibilities remains an unresolved and divisive problem.

*FOR THE PRESIDENT ONLY*

## FOR THE PRESIDENT ONLY

## ISRAEL

*Defense Minister Peres recently elaborated his position on several key issues regarding future Arab-Israeli negotiations*

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Peres [redacted] sees no possibility of negotiating a final peace agreement with Syria under present circumstances. He said it might be possible to obtain another interim agreement with Damascus, but such an agreement would have to involve more than "cosmetic" changes. He said Tel Aviv would demand that President Asad agree to extend the UN mandate on the Golan for three to five years and accept language similar to that in the latest Sinai agreement.

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Peres [redacted] indicated [redacted] the government does not wish to repeat its Sinai negotiating experience and will first try to learn Syria's minimum demands before presenting any detailed maps of its own.

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Peres dismissed the idea of an informal multi-party conference to facilitate negotiations with Syria on the grounds that negotiations could be successful only if they were limited to the parties directly concerned, with the possible addition of Secretary Kissinger. He did not think talks could get under way before the UN mandate on the Golan expires on November 30.

Peres seemed convinced of the need to renew the UN mandate. He speculated that, as a face-saving gesture to enable Asad to approve a renewal before the November deadline, Secretary Kissinger might arrange a special conference for the purpose of announcing a date for the resumption of talks sometime next February or March. Peres thinks Damascus is interested in another six-month extension to get through the winter, give it more time to strengthen relations with Jordan, and see how the situation in Lebanon develops.

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FOR THE PRESIDENT ONLY

*FOR THE PRESIDENT ONLY*

On Lebanon, the Israeli defense minister stated flatly that Israel would not make a preemptive military move into southern Lebanon. He warned, however, that while Tel Aviv does not plan to counter Syrian political involvement in Lebanon, Syrian military intervention would result in Israeli counter-action. Damascus, he thought, is mindful of Israel's position on this score.

Peres insisted Tel Aviv would not negotiate with the Palestine Liberation Organization. [redacted] all Israeli cabinet ministers [redacted] believe they have complete US backing for their position.

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Peres ruled out the possibility of tying the Palestinian issue to negotiations with Syria as demanded by President Asad because, he said, Damascus would insist on PLO participation in the discussions. He admitted the Palestinian issue cannot be swept under the rug indefinitely, but he only repeated Tel Aviv's standard line that the issue should be taken up in the context of negotiations with Jordan.

FOR THE PRESIDENT ONLY

LEBANON

[redacted]  
memorandum [redacted]  
by the Palestine Liberation Organization  
as the basis for PLO-Lebanese relations.  
The document represents a major effort  
by the PLO to improve its relations with  
the Lebanese government.

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Clashes between Christians and Mus-  
lims in Beirut last night ended two days  
of relative calm.

The PLO memorandum rejects the idea of the  
Palestinians settling permanently in Lebanon, re-  
nounces the use of force to settle Lebanese-Pales-  
tinian differences, and calls for all Lebanese,  
including the Phalangists, to accept the Palestin-  
ian presence in Lebanon as legal.

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Most important, it states that the government  
should exercise authority over all Lebanese terri-  
tory. The PLO [redacted] believes that even if it  
turns its policing function over to the Lebanese  
army and security forces, the fedayeen would retain  
ultimate authority in most areas because of their  
overwhelming power in the neighboring refugee camps.

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[redacted] the memoran-  
dum showed a constructive spirit and paved the way  
for a fruitful exchange. Christian leaders were  
more cautious. [redacted]

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[redacted] the true test of the Palestinians'  
intentions would be their readiness to begin imple-  
menting the memorandum. [redacted]

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FOR THE PRESIDENT ONLY

*FOR THE PRESIDENT ONLY*



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According to press reports, several persons died last night in Muslim-Christian clashes in Beirut, and kidnapings by both sides continued to occur. Our embassy reports that traffic into the city this morning was not as heavy as yesterday, although all access roads are open. A Beirut paper states that economic losses this year resulting from the conflict may amount to \$3.5 billion, an estimate the US embassy believes is reasonable. Press estimates of those killed in all the fighting this year range from just over 1,500 to over 8,000, with 6,000 the figure most often reported.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

PORtUGAL

*The anti-government campaign being waged by the Communists and the far left has sparked rumors that radical military officers are planning to overthrow Prime Minister Azevedo's government. Given the shaky condition of the government, a move against it cannot be completely ruled out, but the near term will more likely bring another struggle between dissident and loyal elements in the military.*

We have been unable so far to determine the validity of the latest rumors of an imminent leftist coup attempt. These rumors, as did earlier ones, say the attempt is to come before November 11, the date Angola is scheduled to become independent. The rationale is that it would be necessary for the new leaders to be in control in Lisbon if they are to influence the eventual outcome in Angola. In fact, events in Angola have taken on a momentum of their own, and there is little any government in Lisbon can do to alter their course.

The radical "Soldiers United Will Win" organization is continuing its protests against the government on several fronts, including a threat of more violence by the mutinous leftist soldiers in Porto. In response to the unrest, President Costa Gomes yesterday announced tough directives aimed at recovering illegal arms, many of which are thought to be in the hands of extreme leftists.

The uncertainties in mainland Portugal appear to have stirred new separatist activity in the Azores. The military has tightened security, but doubts have been raised about the reliability of the army troops stationed in the islands.

*FOR THE PRESIDENT ONLY*

NOTES

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The SL-12 booster [redacted] is the mainstay of Soviet lunar and planetary exploration programs. It has been very reliable in recent years, after overcoming serious problems in its early development.

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*The National Front for the Liberation of Angola, probably supported by Zairian troops, has stepped up its drive toward Luanda.*

Heavy fighting is reported less than 13 miles from the capital between forces of the National Front and the Popular Movement for the Liberation of Angola. According to a press account, an advance contingent of the Front has advanced to within sight of Luanda's outer industrial area. Since it was forced to withdraw from Luanda last June, the National Front has tried to discredit the Popular Movement's claim to control the capital area by mounting a siege of the city rather than fighting its way back in. The Front may change its plans, however, if it encounters less resistance than it expects.

(continued)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

\* \* \*

*Argentine President Maria Estela Peron appears to have bought some time for her government with the non-controversial speech she gave yesterday at a major Peronist rally.*

Peron adhered closely to a prepared text obviously approved in advance by Peronist and military leaders. It touched on three popular themes--evoking her husband's memory, denouncing terrorism, and promising support for the armed forces in their fight against subversion. The surface calm is likely to be temporary, for the return of the widely discredited President undoubtedly will increase political tensions. [redacted]

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it seems unlikely that the armed forces will take any immediate action after having permitted Peron to resume the presidency.

*FOR THE PRESIDENT ONLY*

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# The President's Daily Brief

October 20, 1975

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Exempt from general  
declassification schedule of E.O. 11652  
exemption category 5B(1),(2),(3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

October 20, 1975

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Syria: The Syrians may be attempting to stimulate apprehension about their military intentions. (Page 2)

Egypt: President Sadat's speech to the opening session of the Egyptian People's Assembly Saturday night was unique among his recent public pronouncements for its lack of polemics. (Page 4)

USSR-France: Both the French and the Soviets made determined attempts to present an appearance of cordiality and accomplishment at the end of President Giscard's visit to the USSR, but they could not entirely dispel a sense of strain. (Page 5)

West Germany:

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(Page 6)

Portugal: One of the most militant and most heavily armed leftist groups has announced that it will ignore the government's order for all armed militias to turn in their weapons. (Page 7)

Japan-US: The Japanese are widely interpreting the Emperor's recent visit to the US as opening an era of "good feelings" in US-Japanese relations. (Page 8)

Note: Spain (Page 9)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

LEBANON

*Sniper fire and kidnapings continued  
in Beirut over the weekend, and fighting  
intensified last night.*

The US embassy reports that the increase in violence had not seriously dampened the economic resurgence in the capital that began late last week. Most shops and banks were open on Saturday and most roads were passable.

The meeting of the political reform subcommittee of the national dialogue committee on Saturday reportedly was marred by deep differences between leftist leader Kamal Jumblatt and Phalangist leader Pierre Jumayyil. Jumayyil is continuing to insist that security must be restored before reform can be discussed. The subcommittee is scheduled to meet again today.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

SYRIA

*The Syrians may be attempting to stimulate apprehension about their military intentions.*

On Friday, a local news service correspondent in Damascus told a US embassy official that Israeli allegations that Syria is evacuating civilians from the Golan Heights were accurate. The correspondent also reported that Syria intends to conduct a 48-hour operation to occupy a piece of Israeli-controlled territory so that Secretary Kissinger will have to return to Damascus to negotiate a comprehensive settlement.

The possibility of a limited Syrian military action cannot be discounted. Ambassador Murphy comments that a quick thrust into the Golan may be an option under consideration by the Syrian government. It is also possible that the story was planted as part of a Syrian effort to increase pressure on the US and Israel to refocus a diplomatic effort on the Golan front.

Meanwhile, President Asad has continued his verbal assault on the second Sinai disengagement agreement in a lengthy interview published on Saturday in a Kuwaiti newspaper. Reiterating his opposition to further peace negotiations about the Golan Heights unless the Palestine Liberation Organization takes part, the Syrian leader said he had been offered an opportunity to engage in talks similar to those in which Egyptian President Sadat had participated. Asad said he had refused because the talks were aimed at isolating the Palestinian problem.

Asad criticized Egypt's anti-Soviet stance as an attempt to obscure the Palestinian issue by offering Saudi Arabia and the Persian Gulf states the choice between Egypt and communism. He denied that Syria and the Palestinians were "chessmen in the hands of the Soviets" and said Syria had rejected Moscow's offer of a treaty of peace and friendship.

(continued)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

Asad did not reveal Syrian intentions regarding the renewal of the mandate of the UN force on the Golan Heights, which expires on November 30. He noted, however, that the existence of the observer force was no barrier to Syrian military action. Recalling that Syria had insisted that the force be called an observer rather than an emergency force like the one in the Sinai, Asad declared that, "when we decide to wage war, these observers will not be an obstacle.

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*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**EGYPT**

*President Sadat's speech to the opening session of the Egyptian People's Assembly Saturday night was unique among his recent public pronouncements for its lack of polemics.*

In a relatively short address devoted chiefly to domestic affairs, Sadat avoided any mention of Syria, spoke matter-of-factly of what Egypt has done and will continue to do for the Palestinians, and made only oblique references to the Soviets. All had come in for heavy criticism in Sadat's recent speeches.

Sadat briefly mentioned his objection to an escalation of US arms deliveries to Israel, "especially with regard to the type of weapon," an apparent reference to the Pershing missile. The Egyptian leader warned that escalation on one side is incompatible with the role currently being played by the US in the Middle East and will be met by escalation on Egypt's side. These remarks were made as much to please his Arab audience as to signal the US that he will seek arms for Egypt when he visits Washington next week.

On the subject of Lebanon, Sadat said that a catastrophe there now could be even worse than the "Palestine catastrophe in 1948." Although he did not elaborate, Sadat seemed to be saying that continued strife in Lebanon could ultimately impact on broader Arab-Israeli issues and result in the loss of all the Arabs have gained in recent years. In a reference that could have been directed equally at Arabs, Israelis, and the superpowers, he urged that all outside powers keep hands off Lebanon.

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**USSR-FRANCE**

*Both the French and the Soviets made determined attempts to present an appearance of cordiality and accomplishment at the end of President Giscard's visit to the USSR, but they could not entirely dispel a sense of strain.*

The two leaders signed a brief formal communiqué and a longer declaration of friendship. They stressed the importance of summit meetings and agreed to hold them on a "periodic basis," which may go a short distance toward formalizing the annual exchange that now exists. The French endorsed the Soviet proposal to convene a world disarmament conference, which they probably regarded as a painless gesture. The declaration, however, makes no mention of the European force reduction talks, which the French have refused to join.

Some mystery remains about the abrupt change in Giscard's schedule, in which the Soviets postponed his scheduled talks with Brezhnev and related ministerial meetings from Wednesday to Friday and substituted tourist activities that had been planned for Friday. A short and probably nonsubstantive meeting between the two leaders that was supposed to have taken place on Saturday was canceled.

Brezhnev told newsmen that he had a cold that necessitated the scheduling switch. At the airport sendoff for Giscard [redacted]

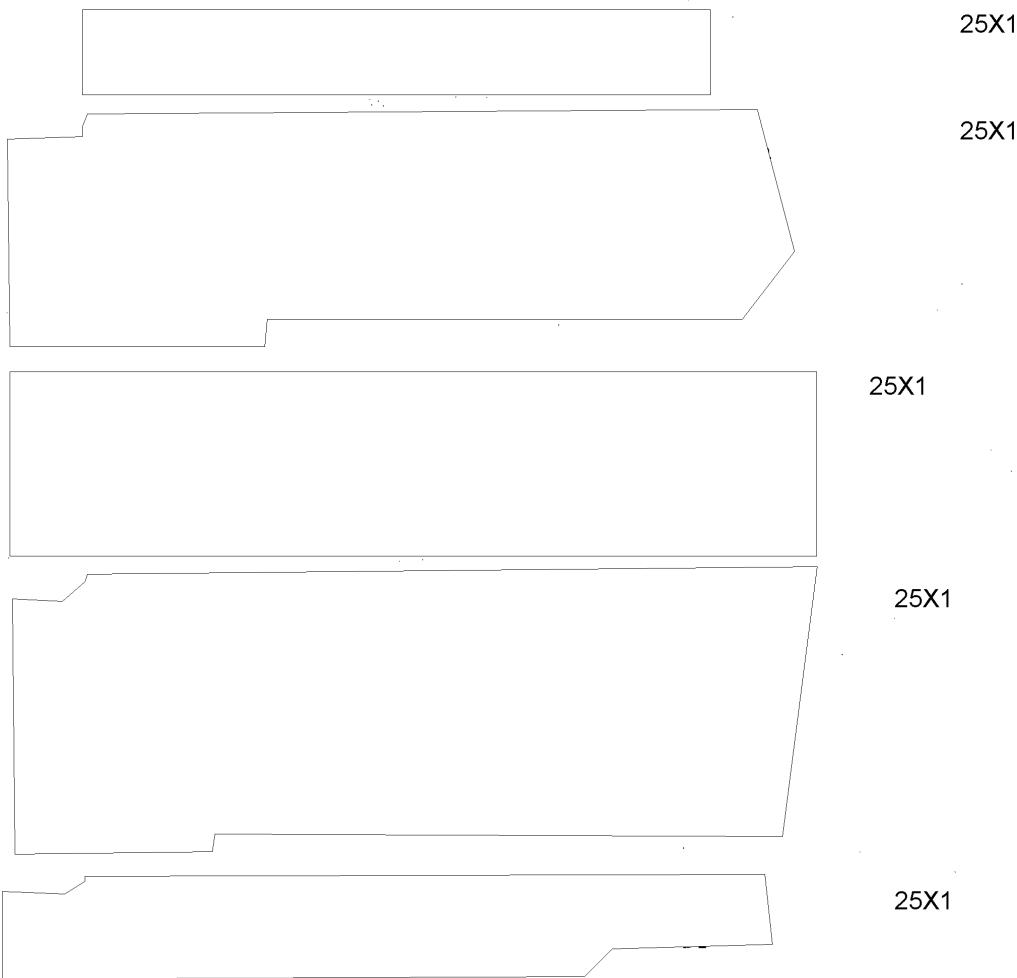
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[redacted] the Soviet leader's overall mood was jovial. On Friday night, French Foreign Minister Sauvagnargues was anxious to put to rest rumors of "blow-ups" or "snubs" and attributed the postponement entirely to Brezhnev's cold.

Despite these denials, some hints of disagreement remain. At a news conference, Giscard said that there was a "difference" but not a "contradiction" between the two leaders' positions. Such differences are genuine but long-standing, and it is unlikely that the two leaders would have permitted them to disrupt a relationship in which much depends on appearances.

*FOR THE PRESIDENT ONLY*

WEST GERMANY



*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

PORUGAL

*One of the most militant and most heavily armed groups on the extreme left has announced that it will ignore the government's directive of last Friday giving all armed militias eight days to turn in their weapons.*

The spokesman for the group--the Revolutionary Party of the Proletariat - Revolutionary Brigades-- said the government lacks the strength to enforce its directive and that if there is a showdown the government will lose. The leader of the group, Isobel do Carmo, reportedly has close ties with security forces chief Otelo de Carvalho.

So far, this is the only public reaction to the government's new directive. Other leftist groups, including those supported by the Communist Party, are likely to resist the directive. This, of course, will be one more serious challenge to a government already beset with continuing military indiscipline and a deteriorating economy.

Conservatives, meanwhile, staged a successful mass rally in Porto on Saturday. Leaders of the Social Democratic Center told a crowd of some 15,000 that they are ready to support the present government if it can maintain public order and restore military discipline.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

JAPAN-US

*The Japanese are widely interpreting the Emperor's recently concluded visit to the US as opening an era of "good feelings" in US-Japanese relations. The visit contributed significantly to popular support for continued cooperation with the US and reconfirmed at the highest level the fundamental strength of the bilateral relationship.*

Prior to the visit, many Japanese had grave doubts about the image the Emperor would project and about how well he would be received. The reception and US media coverage, however, greatly exceeded even the most optimistic Japanese expectations. As far as most Japanese are concerned, the visit removed any lingering doubts that Americans still harbor hostile feelings toward Japan as a result of World War II.

The timing of the imperial visit contributed to its success. The present absence of major problems between the two countries, Secretary Kissinger's widely publicized speech on the importance of US-Japanese relations, and Secretary Schlesinger's well-received visit have served to focus Japanese public attention on the strength of the bilateral relationship.

In addition, recent efforts by Japan's opposition parties, except for the Communists, to open avenues of communications with the US have received broad coverage in the Japanese media. The Japan Socialist Party, the major opposition party, recently sent a delegation to the US to exchange views with US officials--the first such visit in 18 years.

Some of the present euphoria will eventually subside.

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# The President's Daily Brief

*October 21, 1975*

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Exempt from general  
declassification schedule of E.O. 13652  
exemption category SR(1)(2),(3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

October 21, 1975

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Israel-Syria: Uncertainty is growing in Israel over whether or not Syria intends to renew the UN observer force's mandate on the Golan when it expires on November 30. (Page 1)

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Turkey: Foreign Minister Caglayangil told Ambassador Macomber yesterday that Ankara will be ready in a week to resume negotiations on the Turkish-US defense relationship and that now is a good time to seek a solution to the Cyprus problem. (Page 4)

Notes: Libya-USSR-Algeria; USSR (Page 5)

At Annex we present an assessment of the current situation in Poland.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**ISRAEL-SYRIA**

*Uncertainty is growing in Israel over whether Syria intends to renew the UN observer force's mandate on the Golan when it expires on November 30. The government's top leaders--Prime Minister Rabin, Defense Minister Peres, and Foreign Minister Allon--all focused on the issue last week, emphasizing Israel's willingness to negotiate, while expressing confidence in its ability to handle any Syrian military attack.*

Foreign Minister Allon warned that Syria might try "brinkmanship psychology" as the deadline for renewal of the UN mandate approaches. Israel, he cautioned, must remain alert without becoming nervous so as not to play the Syrians' game.

With this apparently in mind, Tel Aviv has denied press reports that it is building up its forces on the Golan and offered a quick apology for an incident last week in which two Syrian shepherds were killed by an Israeli patrol after crossing the disengagement line into Israeli-held territory. Israeli officials also have sought to play down the possible military implications of the reported evacuation early this month of some Syrian villagers on the southern Golan, contending it may have been due to an outbreak of cholera in Syria.

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[redacted] it is still too early for a possible build-up in connection with the expiration of the UN mandate. In any case, the [redacted] that the out-break of total war on the Golan is unlikely. A limited war is possible, however, perhaps in the form of a war of attrition, increased fedayeen attacks, or short, limited military thrusts at a specific objective such as Mt. Hermon.

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*FOR THE PRESIDENT ONLY*

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Tel Aviv is taking additional military precautions. [redacted] that no senior Israeli officers will be allowed to be absent from their units at the end of November. A regular parachute brigade will also return to the Golan before the end of October after completing training in the Sinai. Our embassy believes these younger, freshly trained regular troops will replace reservists now serving on the Golan.

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A Syrian military spokesman announced yesterday that Syrian forces clashed with an Israeli patrol earlier in the day on the Golan Heights. The clash reportedly occurred some seven miles northeast of Al Qunaytirah in the same area where the two Syrian shepherds were killed last week. Damascus claims that four Israelis were hit in yesterday's incident and that no Syrians were hurt.

Tel Aviv so far has played down the incident.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**LEBANON**

*Scattered incidents occurred last night in Beirut, but there was no resumption of the heavy fighting that erupted Sunday night.*

Commercial activity again was at a standstill yesterday as barricades went back up in many areas of Beirut. The fighting on Sunday night, which for the first time spread to the Ras Beirut area in the western part of the capital where Americans live, apparently began between predominantly Sunni Muslim residents of the area and Christians. While it is not clear who started the incident, our embassy reports that it has second-hand information that Lebanese Communist Party members were preparing for battle as early as Sunday morning.

On the political front, there is still no progress toward an agreement to end the fighting. The meeting of the political reform subcommittee of the National Dialogue Committee has been postponed until Wednesday because of the security situation. The Lebanese parliament is scheduled to meet today, but it is rumored that Kamal Jumblatt will boycott the session, possibly indicating a developing split between Shia Muslims and leftists. In any case, the politically impotent parliament is not likely to have much success in finding a solution.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**TURKEY**

*Foreign Minister Caglayangil told Ambassador Macomber yesterday that Ankara will be ready within a week to resume negotiations on the Turkish-US defense relationship and that now is a good time to seek a solution to the Cyprus problem.*

The foreign minister added, however, that US bases in Turkey cannot be reactivated until basic problems are resolved and an interim agreement is reached. He said Ankara has set a target of 45 days for concluding the agreement. The ambassador doubts that this is time enough.

Caglayangil said the decision to resume talks with the US was reached during a six-hour meeting of the Turkish National Security Council and that it is in response to the partial lifting of the US arms embargo. He added, however, that there could be a "disillusioning result" if deliveries of the \$184-million worth of equipment for which Turkey has contracted are long delayed.

Regarding Cyprus, Caglayangil said Ankara has decided to encourage Turkish Cypriots to begin discussions toward a solution. He added that he could not say now how much territory Turkey might be willing to give up on Cyprus, but that it is ready to discuss this and other issues in one package with the Greeks.

He summed up by saying that Turkey envisions a two-step process in which the Cypriot communities "under the tutelage" of the mainland Turks and Greeks would reach an agreement, and then Greece and Turkey would work out guarantees. He asked the US to convey these views to Athens.

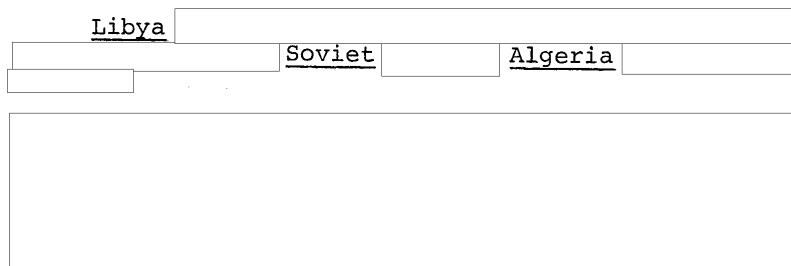
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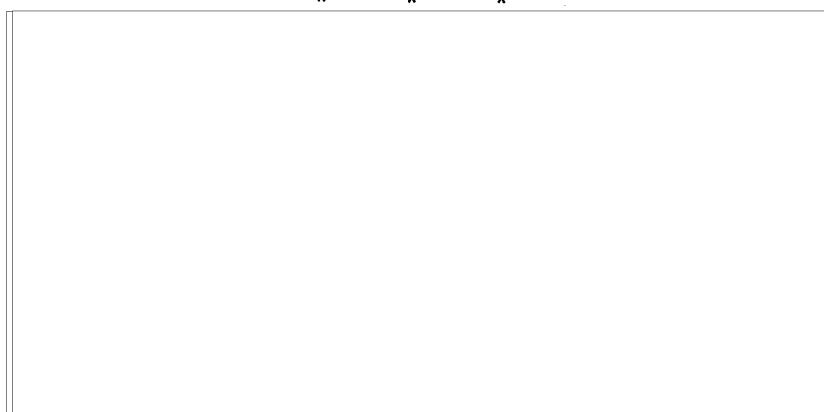


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POLAND

As Edward Gierek prepares for his party's congress in December, he faces the most serious challenge to his political skills since the early months after he came to power. The volatile and demanding Polish people are increasingly restive over sporadic meat shortages and over prospective increases in food prices that they believe will lower their standard of living. The current leadership probably has both the means and the political acumen to avoid the mistakes that toppled the Gomulka regime in 1970, but as our embassy in Warsaw reports, a "spark in the right place" could have serious consequences.

The Current Situation

Popular exasperation is reflected in widespread complaints about meat shortages and the feverish circulation of rumors--some of which seem to have substance--about strikes, dissent within the leadership, arson, and other acts of dissidence.

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[redacted]  
Polish officials admit that the people are in a bad mood, and they are trying to stamp out the rumors.

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The discontent is basically an outgrowth of rising popular expectations and a scarcity of high-quality consumer goods. In 1970, Gierek promised a better standard of living, and he has made good. In his first four years, personal consumption increased rapidly--averaging 10.7 percent a year--as a result of a 60-percent increase in real income and sharp rises in supplies of consumer goods. Meat consumption rose from 117 pounds per capita in 1970

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to 145 pounds in 1974. Consumption of pork--the meat most Poles prefer--was up more than 28 percent between 1971 and 1974.

Despite these advances, Warsaw has been unable to provide enough attractive consumer goods to soak up the excess purchasing power generated by Gierek's wage policy. Housing has been a major problem. In the 1971-75 plan period, 1.1 million dwellings were built and Warsaw has promised 1.5 million more by 1980. Gierek, who has publicly admitted that this number is insufficient, has said that no more can be built. Cars, quality furniture, and other popular items are also in short supply.

Much of the increased purchasing power can therefore only be saved or used to purchase food at artificially low prices. The resultant demand for food has regularly outstripped supply and has led to periodic outbursts of discontent. Last spring, for example, a meat shortage during Lent touched off numerous minor disturbances.

The regime is now struggling to bring the supply of food and meat into line with demand. The recent attempts to boost meat supplies by raising procurement prices and reducing exports are, however, only stop-gap measures.

The problem has predictably produced a split between economists and politicians. The former believe that food prices must be raised to channel excess demand to consumer durables and away from heavily subsidized food products. Party leaders, fearful that price increases on basic foodstuffs would create political instability, have tried to postpone any decision.

Meanwhile, the leadership has been trying to convince the people that price increases on food and other commodities are essential. For several months, Polish officials have fanned out to spread news about this year's bad harvest and to condition the public for food price hikes. The leadership has emphasized that Poland is "not an island in the sea of inflation," and that the subsidies to farmers and the food industry necessary to maintain low prices are increasingly straining the state budget.

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*FOR THE PRESIDENT ONLY*

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Gierek's Economic Options

Gierek's options are limited essentially to the timing and extent of the price increases. The regime could extend the price freeze on basic foodstuffs into 1976, while sharply increasing prices on other popular items--such as alcoholic beverages--to control purchasing power. This action, however, would do nothing to eliminate the recurrent problem of food and meat shortages.

If, as seems increasingly likely, the leadership decides to boost the prices of food and other consumer goods, Warsaw will almost certainly avoid announcing the decision until after the Christmas holidays. In the interim, the regime will seek to mollify the public by ensuring that stores have adequate supplies of meat. Polish leaders vividly remember December 1970, when widespread rioting in the wake of food price hikes helped to topple the Gomulka regime.

To have any impact on demand, price hikes will have to be substantial. Unlike Gomulka's massive one-shot increase, however, Gierek may well decide to increase prices in steps over a period of time. He will probably offer the workers some concessions, such as increased wages and reduced prices on some consumer durables, to compensate in part for the overall price increases. Popular reaction will be negative, however, no matter when, and by how much, prices are increased, and public disturbances like those of last spring could result.

1970 Revisited?

While there are strong similarities to the situation in 1970, there are also important differences. One of these is the ruling style of the Gierek team. Unlike the cold and aloof Gomulka, Gierek has been careful not to isolate himself from the people or from other party leaders. Since September he has spent considerable time visiting mines, factories, and farms, taking the public's pulse and reminding his fellow citizens that they have never had it so good. Media coverage of these events has been thorough and remarkably frank in reporting Gierek's answers to some very tough questions. The Poles are

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being told that price hikes cannot be avoided indefinitely, that some food shortages will continue, and that some problems are not susceptible to immediate solution.

In addition, the Gierek team is not factionalized as was the Gomulka leadership. While there are undoubtedly differences of opinion over policy issues, no one seems to covet Gierek's mantle. Gierek seems to enjoy a good measure of popularity and trust, based both on his accomplishments and on his judicious use of the police in the current difficult times. The population is keenly aware, however, that he is perfectly capable of using an iron hand should circumstances warrant.

We believe that Gierek now is in a stronger position than was Gomulka in 1970 and that he thus probably will weather the storm. Other members of his team could be dropped either because of economic failings or political maneuvering.

The Soviet Angle

As always in Eastern Europe, the Soviet role will be important. Gierek has always had the strong backing of the Soviet leadership because he has brought political stability to Poland.

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Moscow has several options for dealing with any problems in Poland. It could, as it did in 1971, come to Gierek's aid with hard-currency loans to finance meat and consumer goods imports. Soviet-owned banks in the West have granted Poland a \$100-million loan to buy wheat, in addition to the hard-currency credits promised when Moscow suspended grain shipments to Poland earlier this year. This will probably not suffice, and Moscow may be tapped for further loans.

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If Moscow becomes more seriously concerned about Polish economic policies, it could attempt to use its economic power to effect changes. But this would require very delicate handling because Warsaw has based its consumer-oriented programs on increased trade with the West, and any reversal of the pattern would exacerbate the problems it faces. Moscow presumably wants to avoid this situation.

Particularly in the event of widespread disturbances, Moscow could withdraw its support from Gierek and turn to another member of the Polish leadership.

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[redacted] Latent Polish nationalism could easily cause any heavy-handed Soviet push for a leadership change to backfire.

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As the very last resort, the Kremlin could launch a massive military intervention. We believe that the Soviets would consider this option only if the Polish party, government, and military clearly showed they were unable to preserve the leading role of the party and to control the population.

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*FOR THE PRESIDENT ONLY*

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# The President's Daily Brief

*October 22, 1975*

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Exempt from general  
declassification schedule of E.O. 13526  
exemption category 5B(1),(2),(3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

October 22, 1975

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Spain: As General Franco lingers near death, Spanish officials are preparing to transfer power to Prince Juan Carlos. (Page 1)

Syria-Israel: Several Syrian military moves appear aimed at raising tension in connection with the renewal of the UN observer force mandate on the Golan Heights. (Page 6)

Lebanon: Violence continued in Beirut yesterday. (Page 8)

Portugal: The government and its communist and far-left antagonists appear to be bolstering their own positions in preparation for a resumption of confrontations which could come later this week. (Page 10)

Vietnam: The Vietnamese communists are attempting to exploit the refugees now en route from Guam to Vietnam as an issue to embarrass Washington. (Page 12)

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Yugoslavia: President Tito may soon move decisively against his domestic opponents, with pro-Soviet, Stalinist elements as his principal target. (Page 15)

Notes: USSR; Bank for International Settlements; Israel (Pages 16 and 17)

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SPAIN

*General Francisco Franco lingered near death this morning; Spanish officials, including Prime Minister Arias, said last night they believe he has less than 24 hours to live.*



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Spanish government spokesmen continue to report that Franco is recovering, keeping from the public the gravity of Franco's illness as they did in 1974.

Franco's death--or complete incapacitation--will come at a time when the deep divisions within Spain are more evident than ever.

For the moment at least, the shock of the event--although certainly not unexpected--plus the Spanish sense of propriety and pride will probably overcome the divisions in the country sufficiently to permit the carefully planned transition to be effected largely as intended.

The succession law of 1969 stipulates that Prince Juan Carlos will become chief of state (king) within eight days after Franco dies or is declared incapacitated. In the interim, power will be assumed in Juan Carlos' name by a Regency Council composed of a senior member of parliament, a church official, and a military man.

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*FOR THE PRESIDENT ONLY*

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Juan Carlos also will inherit Franco's position as supreme commander of the armed forces, but in the king's case, exercise of this function is expected to be symbolic.

Juan Carlos will have neither the personal prestige nor the legal foundation to exercise the absolute power Franco has wielded for almost four decades. An annex to the Organic Law of 1967--one of seven Fundamental Laws which as a group comprise the constitution--prescribes that Franco's special powers will lapse with the implementation of the Law of Succession.

Unlike Franco, Juan Carlos must share power with others in the government, particularly the Prime Minister or "President of the Government."

The Organic Law states that all decisions of the head of state must be countersigned either by the Prime Minister, another minister whose office is involved in the decision, the president of the Cortes (the legislature), or the president of the Council of the Realm, a 17-member senior advisory body.

Despite such limitations, Juan Carlos will have more power than any other Western constitutional monarch.

The term of Prime Minister Arias does not expire until January 1979.

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A Divided Establishment

A majority of highly placed Spaniards recognize that their society needs to be freer, but they are divided over how free it should be, and at what pace freedom should be introduced. Differences on these matters are spread unevenly over the main sectors of the Spanish establishment.

The church, for example, has been in the vanguard of those seeking to promote social and political change, so much so in fact that the Spanish episcopate barely qualifies any longer as part of the establishment.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

The great bulk of the officer corps is conservative; a small percentage is ultraconservative. Most reports portray the military as interested primarily in maintaining order. There are indications, however, that some junior officers are talking more openly than heretofore about the merits of a sound democratic system.

Organized political activity within the military is banned, but [redacted] junior officers who favor rapid liberal social change for Spain and are interested in the Portuguese example.

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Spanish political figures, who make up another important segment of the establishment, have had very little experience in organizing in such a way as to appeal to a constituency. They have concentrated on developing close ties to Franco, the source of all power.

Politics have been changing slowly since the authorization of political associations (quasi-parties) in January 1975. Two of the more significant associations are the Spanish Democratic Union, a moderate Catholic-oriented group under former cabinet minister Federico Silva Munoz, and the Union of Spanish People, a rightist group under the head of Franco's National Movement, Jose Solis Ruiz.

All members of the establishment, including bureaucrats, financiers, and industrialists, will want to maintain their privileges. They will all cooperate, therefore, with Juan Carlos and Arias to arrange an orderly transition.

Such people will soon disagree over what parts of Franco's system should be preserved and what should be liberalized. Their disagreements may make it easier for the illegal opposition to enter politics openly. The various political groups that make up the illegal opposition are more interested in dismantling Franco's system than in altering it.

The Illegal Opposition

The absence of free political activity--elections, rallies, mass meetings--makes it difficult to estimate popular support for the parties that have existed illegally. It is apparent that

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*FOR THE PRESIDENT ONLY*

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they have some appeal among Spanish youth, intellectuals, and workers. It is also clear that the parties are divided. There are, for example, two national and three regional Christian Democratic parties and at least three rival Socialist parties.

The Spanish Communist Party, in organizational terms if not in numbers, is the strongest party in the illegal opposition. It exercises considerable influence in the labor movement because of its control of the Workers' Commissions. It has support in the universities and is said to have good connections in the media.

The Communists have tried without much success to form a popular front of political parties, but they probably will renew their efforts.

The Spanish Communist Party has been led for many years by Santiago Carrillo, who makes his headquarters in Paris. He has maintained considerable independence from Moscow and, like the Italian Communists, strongly criticized the Soviet invasion of Czechoslovakia.

These positions have caused considerable hostility between Carrillo and his Portuguese counterparts, who have always supported Moscow's policies.

Regionalism

It is reasonable to assume that pressures for regional self-rule will rise in the post-Franco period. The Basque people, who occupy four provinces in the north, and the Catalan, who live in four provinces in the northeast, will press hard for a greater voice in running their own affairs.

The populations of both areas feel discriminated against culturally and economically, but this sentiment is especially strong--and better organized--in the Basque country.

Most Basques would be satisfied with greater autonomy rather than a complete break with Madrid. The Basque terrorist organization wants immediate and complete independence from Madrid, and it has used and will continue to use violence to achieve this goal.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

Basque terrorists, together with members of the Antifascist Patriotic Revolutionary Front who are committed to the violent overthrow of the government, will be as serious a problem for Juan Carlos as they were for Franco during the last days of his rule.

Foreign Relations

Although Spanish officials will be concerned primarily with the orderly transfer of power and the domestic effects of Franco's death, Spain's foreign relations cannot be ignored for even a short period of time.

Madrid, for example, must still complete negotiations on the future of US bases in the country. Some Spaniards may be tempted to hold out for terms more advantageous to Spain, but the majority will not want to alienate the US at such a time.

Franco's death probably will not change Madrid's decision to withdraw from Spanish Sahara peacefully, if it can. Spanish officials probably will reinforce this point with Rabat to avoid any rash action on the part of these Moroccans who believe that Spain is preoccupied with the transfer of power.

Madrid's effort to pursue closer ties with Western Europe, which was set back sharply by the recent anti-Franco demonstrations abroad, is likely to meet with greater success. Most of Europe will be anxious to give Spain's new leaders a chance.

*FOR THE PRESIDENT ONLY*

**SYRIA-ISRAEL**

*Syria has made several military moves that appear to be aimed at raising tension in connection with the renewal of the UN observer force mandate on the Golan Heights.*

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[redacted]

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[redacted]

Late last week, [redacted] seeing large numbers of Syrian troops moving from north of Damascus to an area about 25 miles south of the capital. Some of these movements may have been units returning to home bases from the Iraqi border, but those observed south of Damascus may have indicated an adjustment of forces on the Golan front.

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The Syrians almost certainly are trying to increase tension on the Golan Heights, but it is also possible that the reported troop movements could be part of Syrian preparations for a limited operation to seize and hold a portion of Israeli territory along the disengagement line. A local news correspondent told the US embassy in Damascus last weekend that such an operation is in the works.

Whether posturing for effect or preparing for an operation, the Syrians can be expected to take certain steps such as holding military exercises near the front and calling up some reservists. The proximity of their forces to the disengagement line means there would be very little warning if the Syrians decided to launch an attack after such initial preparations.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

Despite Tel Aviv's low-key reaction to the Syrian moves, it may have instructed Israeli forces on the Golan to adopt a more aggressive posture to signal Damascus that it is fully alert to the possibility of renewed fighting.

[redacted] yesterday that Israeli forces have initiated a number of minor but provocative incidents in the vicinity of the disengagement line during the past few weeks.

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In one such incident Israeli soldiers in an armored personnel carrier sprayed the UN buffer zone with heavy machine-gun fire.

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[redacted] the two Syrian shepherds who were killed by Israeli troops last week were in the UN buffer zone when they were shot.

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The potential for future incidents in this area is high because [redacted] the Israelis dispute the disengagement line there with the UN and the Syrians.

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*FOR THE PRESIDENT ONLY*



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**LEBANON**

*Violence continued in Beirut yesterday. All roads were declared unsafe because both sides were using mobile road-blocks in order to kidnap members of the opposition.*

Ambassador Godley reported this morning that two US Information Agency employees were kidnaped at a roadblock on their way to work.

Efforts to find a political solution to the crisis seem to be faltering. Phalangist leader Jumayyil has threatened to pull his right-wing organization out of the National Dialogue Committee, charging that attacks on Christian areas of Beirut were attempts to pressure the Christians into making concessions to the Muslims. Meanwhile, Saib Salam, a former prime minister and a moderate Muslim leader, has warned that if reforms are not forthcoming, "the whole system will be swept away."

Kamal Jumblatt and other Lebanese leftists met in Damascus yesterday with Palestine Liberation Organization leader Arafat, Saiga chief Zuhayr Muhsin, and the leader of the Popular Democratic Front for the Liberation of Palestine, Nayif Hawatmah. They were reported to have discussed the Phalangist efforts to "internationalize" the conflict. Jumblatt also was scheduled to meet with Syrian President Asad.

The continued fighting is rapidly causing Beirut to lose its status, at least temporarily, as the regional business center of the Middle East. Some firms have already pulled up stakes--McDonnell Douglas has relocated in Rome, and the Bechtel Corporation has moved its regional headquarters to Kuwait. Other foreign business and financial companies, including Bank of America, First National City Bank, and General Motors, have temporarily evacuated employees and their families, in most cases to Athens. No major firms, to our knowledge, are currently operating out of Beirut at full strength.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

A definitive cessation of hostilities probably would bring back most of the evacuated firms inasmuch as there is no presently viable alternative to the Lebanese capital as a regional center. Athens is too far from the Middle East, and Cairo's facilities are already overtaxed and over-bureaucratized. While Jordan, Kuwait, and other Gulf states would like to replace Beirut as a regional center, none yet can match its communication network, highly trained work force, and housing and educational facilities.

On the other hand, prolonged fighting in Lebanon will increase the chances that many firms will disperse their Mideast activities. Some companies reportedly are considering controlling operations from outside the region. Supersonic airline service between Western Europe and Middle East, together with rapidly improving infrastructure in much of the Gulf region where most of the lucrative markets are located, may eventually make it feasible to bypass Beirut altogether.

The impact of such a shift from Beirut would be disastrous for Lebanon. Already physical destruction and lost tourist and trade earnings are estimated at as much as \$3.5 billion--nearly a full year's gross national product. The longer term loss of earnings from financial services, transit fees, and other commercial services would turn Lebanon's traditional trade surpluses into chronic deficits. Fully two thirds of the country's gross national product is drawn from the services account, primarily banking, commerce, and tourism, centered in Beirut.

*FOR THE PRESIDENT ONLY*

PORUGAL

*The government and its communist and far-left antagonists appear to be bolstering their own positions in preparation for new tests of strength that could come later this week.*

On Monday the government announced that it had removed four district governors. The location of the posts, one in each of the country's four military regions, suggests that the government may be warning its opponents that it is prepared to exercise its authority in whatever part of the country it is challenged. This also is the first step in fulfilling a promise made earlier by Prime Minister Azevedo that leftist local administrators who seized office after last year's coup would be replaced. The new governors, who will undoubtedly reflect the views of the government, have not yet been named.

The government also took another step on Monday to lessen the hold of the communists on the media. Libel proceedings were instituted against a Lisbon paper controlled by pro-communist workers following an editorial attack on General Melo Egídio, head of the new military intervention force which has been set up to curb military indiscipline and maintain public order. Control of the media is critical at this stage because news reports appear to have aided key opposition groups by exaggerating their strength and importance.

In addition to the attack on General Melo Egídio, the opposition continues to criticize the commander of the Northern Military Region, General Pires Veloso. The general, whose attempts to maintain military discipline in his command have made him the focal point of anti-government demonstrations, has been accused of trying to undermine a compromise reached last week between rebellious troops in the north and army Chief of Staff Fabiao. The opposition's accusations could actually have some basis in fact, in light of reports that the government is displeased with Fabiao's compromise measures and that the army chief may soon be replaced.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

As positions continue to harden, pro-government military figures have begun to criticize the opposition more openly. Captain Vasco Lourenco, a key member of the Revolutionary Council, has put the blame for insubordination in the military squarely on the communists and the far left. Colonel Jaime Neves, commander of the crack commando regiment which will form the backbone of the new security force, has referred to an opposition plot that he said would surely lead to armed confrontation.

The chances for such a confrontation will increase later this week when several important deadlines occur. [redacted]

[redacted] The findings of an inquiry into recent incidents of violence in Porto will be made known on Friday, and Saturday is the deadline set by Costa Gomes for turning in arms held illegally throughout the country. According to press reports, the security forces said yesterday that not a single weapon had been surrendered in response to the appeal, which was issued four days ago.

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*FOR THE PRESIDENT ONLY*

VIETNAM

*The Vietnamese communists are attempting to exploit the 1,600 refugees now en route from Guam to Vietnam as an issue with which to embarrass Washington over its alleged mistreatment of refugees in the US.*

The main thrust of communist propaganda is that the US "tricked" thousands of Vietnamese into exile by "raising the scare of a bloodbath." Hanoi and Saigon claim that Washington has now been obliged to accept the "legitimate demand" of the Guam refugees to return home. The communists complain, however, that the US has denied its responsibility for the "crime" of creating the refugee problem and has decided unilaterally to return the 1,600 Vietnamese without obtaining "authorization" from the Saigon authorities.

The principal motive of the communists probably is to "settle accounts" with the US over the massive exodus of refugees last April that outraged and embarrassed the Hanoi leadership.

The claim that this US unilateral action "violates Vietnam's sovereignty" raises the possibility that Saigon will refuse to allow the refugees to disembark unless the US acknowledges its "responsibility" for all the refugees and agrees to general arrangements for future repatriation. The communists appear to be making the case that many others now living in US "concentration camps" will request repatriation. Despite their denunciation of the "unilateral" action of the US, the Vietnamese communists thus far have stopped short of any call for direct talks between Saigon and the US on the refugee question. They may nonetheless be tempted to do just this, reasoning that considerable propaganda advantage could be derived from a US refusal to deal with Saigon.

The communists' apparent determination to bring the entire refugee question to a head was reflected in their warning to UN Secretary General Waldheim on October 19 that they reject the US decision to return the refugees from Guam and that they will not be responsible for anything that might happen.

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*FOR THE PRESIDENT ONLY*

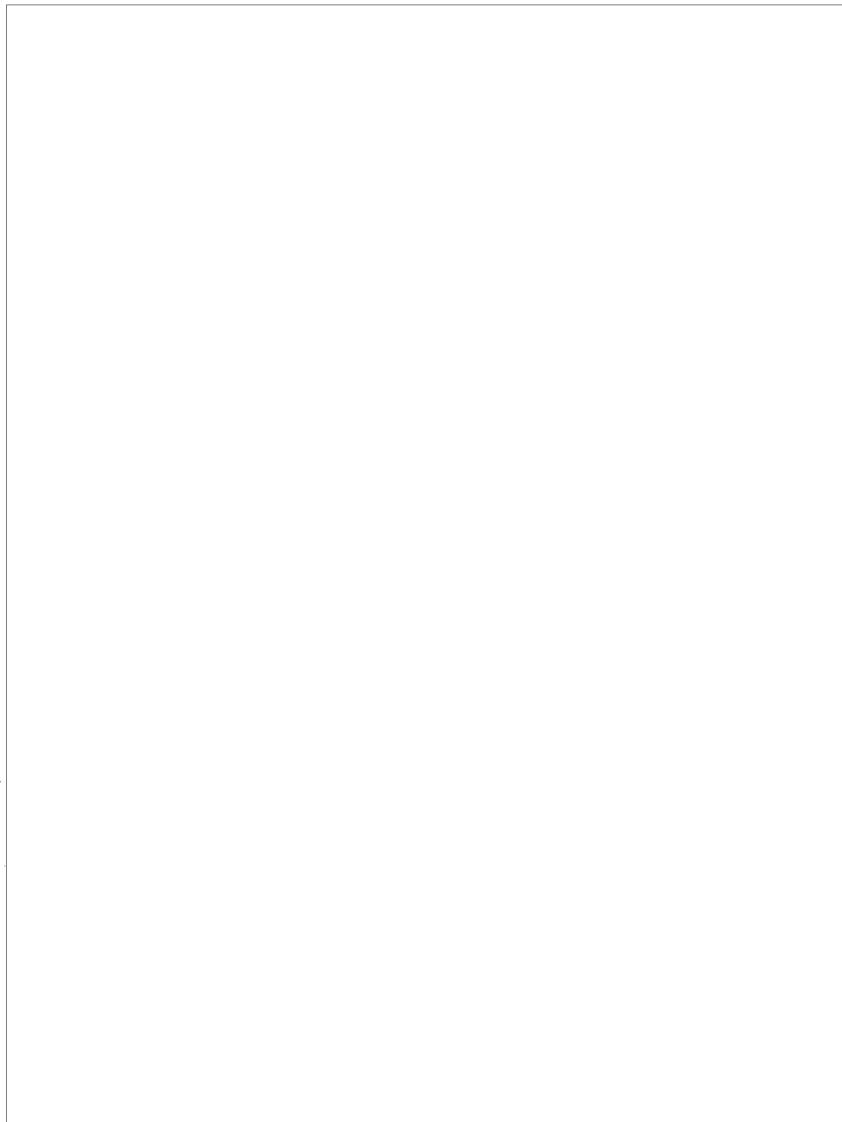
*FOR THE PRESIDENT ONLY*

In what may be an attempt to contrast the alleged irresponsibility of the US and its disregard of the refugees' welfare with communist generosity and good will, Hanoi announced on Monday that the Provisional Revolutionary Government in Saigon will release Americans and other foreigners who have been denied permission to leave South Vietnam since the communist victory last April. Hanoi stated that the UN High Commissioner for Refugees has agreed to assist this repatriation, which "may be carried out in late October or early November."

The timing of the release, however, raises the possibility that Hanoi will make the departure of the Americans and other foreigners conditional on a "satisfactory" US acknowledgment of its responsibility for resolving the general Vietnamese refugee problem.

*FOR THE PRESIDENT ONLY*

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*FOR THE PRESIDENT ONLY*

**YUGOSLAVIA**

*President Tito may soon move decisively against his domestic opponents, with pro-Soviet, Stalinist elements as his principal target.*

Widespread rumors in Belgrade claim that a major show trial of so-called Cominformists will take place in the near future. An East European diplomat has told our embassy that one or two "prominent personalities" are to be arrested for Cominformist activities.

[redacted] Tito ordered the internal security network last August to prepare specific proposals for an extensive suppression of dissidence. With the recent examples of Portugal and Spain presumably in mind, the President may well be determined to clear the slate, before it is too late, of those regime opponents hovering on the fringe of outright opposition.

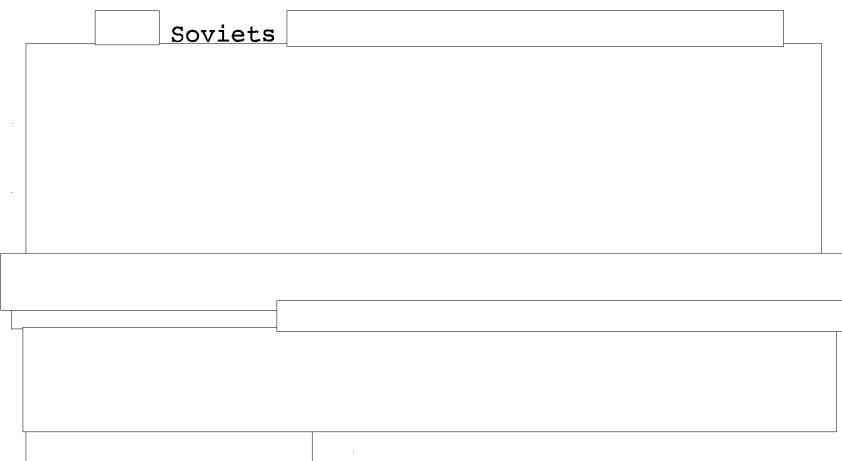
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In addition to Stalinist subversives--12 more of whom have reportedly been arrested--the likely candidates for arrest include supporters of Tito's former heir-apparent, Aleksandr Rankovic, and possibly a sprinkling of pro-Western liberals like Milovan Djilas. The pro-Western dissidents would be included in the sweep for both domestic and foreign reasons. At home, Tito does not want any moves against Stalinists to raise the hopes of the liberal reformers he sacked during 1972 and 1973. Externally, Belgrade presumably wants to avoid any serious deterioration in already strained relations with Moscow.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES



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*Discussion of New York's financial plight dominated the meeting of central bankers at the Bank for International Settlements last week.*

The Europeans expressed concern that New York's problems may cause severe difficulties for the international banking community and may erode foreign confidence in US financial stability. Foreign central bankers are concerned that a loss of confidence in New York's notes would spread to other US municipal issues and cause a decline of foreign confidence in US Treasury issues. They lamented the potential impact of the city's plight on the solvency of US banks and the stability of the US financial market. The Europeans cited the New York problem as one cause of the dollar's recent weakness.

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*FOR THE PRESIDENT ONLY*

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*Israel is planning to conduct local elections in the occupied West Bank starting next week and possibly in the Gaza Strip early next year.*

The Israelis probably hope the elections will buttress their case against claims by the Arab states that the Palestine Liberation Organization represents the Palestinians. Israel contends that the elected leadership on the West Bank is more representative of the Palestinians, perhaps with an eye to the possible participation of West Bankers in peace negotiation. Jordan has never recognized the validity of West Bank elections held under the Israeli occupation, contending they are the illegal acts of an occupying power. Egypt undoubtedly will object on the same grounds if the Israelis call for elections in the Gaza Strip.

*FOR THE PRESIDENT ONLY*

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# The President's Daily Brief

*October 23, 1975*

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~~Top Secret 25X1~~

Exempt from general  
declassification schedule of E.O. 13526  
exemption category 5B(1), (2), (3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

October 23, 1975

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Portugal: A demonstration in Lisbon this evening is intended by its Communist and far-left sponsors to be a major challenge to the Azevedo government. (Page 1)

Lebanon: There is no word on the fate of the two USIA officers kidnaped yesterday in Beirut. (Page 3)

Spain: Public and private accounts of the status of General Franco's health are still at odds. (Page 4)

Spanish Sahara: Spanish leaders are disagreeing over the government's policy. Morocco is assembling its marchers, and Algeria is talking of a military response. (Page 5)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

PORUGAL

*A demonstration of "popular power" in Lisbon this evening is being orchestrated by its Communist and far-left sponsors as a major challenge to the Azevedo government.*

Short of a complete government capitulation, the present Communist and far-left campaign seems bound to lead to bloodshed sooner or later. Since the April 25, 1974 coup, each successive Portuguese government has been reluctant to use force--probably to avoid inevitable comparisons with the harsh methods of the Salazar-Caetano era.

Many of Portugal's current leaders also believe that the use of force against military and civilian indiscipline would only make the sponsors of these activities appear to be more powerful and influential than they are. There are obvious limitations to this argument, and as time goes on the need to restore order--and therefore risk a confrontation--becomes more pressing.

The Communist-dominated trade union confederation, Intersindical, yesterday appealed for massive participation in the demonstration, which it billed as a protest against government efforts to turn Portugal to the right. The confederation said government and military leaders were creating a situation reminiscent of that in Chile when "the people's government" of Salvador Allende was overthrown.

The demonstration is expected to include the same leftist front organizations that created violent incidents in Porto last week. No plans have been announced for government security forces to oppose or control the demonstration, even though several Portuguese papers reported on Tuesday that it might be used as a springboard for a leftist coup attempt.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

In another act of defiance against government authority, thousands of left-wing soldiers and civilians yesterday seized control of the Catholic radio transmitter outside Lisbon. The station, which was wrested from church control by leftist workers several months ago, was taken off the air last month by Prime Minister Azevedo because of its hard anti-government line. Demonstrators occupying the transmitter site vowed to resume "revolutionary" broadcasts.

The seizure probably was designed to complicate President Costa Gomes' scheduled audience with Pope Paul yesterday. The government's handling of the church radio issue reportedly was one of the principal items on their agenda.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**LEBANON**

*The two USIA officers kidnaped in Beirut yesterday are still missing. There is no word on who abducted them or what demands the kidnapers may make. Lebanese Prime Minister Karami is taking a personal hand in coordinating an intensive search for the two US officials.*

*The fighting in Beirut persisted yesterday, and kidnapings and roadblocks set up by private militiamen are still common in all parts of the city.*

*The political subcommittee of the national dialogue committee met again yesterday, but neither leftist leader Kamal Jumblatt nor Phalangist leader Pierre Jumayyil attended. Jumblatt was still in Damascus, and Jumayyil sent a deputy to the meeting.*

*Prime Minister Karami, in a speech to the Lebanese parliament on Tuesday, conceded his government's inability to force the parties to accept a settlement of the conflict and appealed to parliament to find a solution. The US embassy believes the question of parliament's role will become a major topic of discussion over the next few weeks.*

*Karami supports Interior Minister Shamun's contention that the recommendations of the dialogue committee must be endorsed by parliament as the legally competent body. It remains highly unlikely, however, that the divided and politically impotent parliament will take the lead in ending the conflict.*

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

SPAIN

*Public and private accounts on the status of General Franco's health are still at odds. Official statements emphasize his recovery, while private assessments dwell on the irreversibility of the damage done to his health.*

The conflicting reports may be due to Franco's apparent determination to resume normal activity against the wishes of his doctors, who have warned that doing so could be fatal. None of the optimistic medical bulletins issued to date has been signed by doctors, as was the case during Franco's serious illness in 1974.

Prince Juan Carlos told Ambassador Stabler yesterday that he believes the government should make a determined effort at this Friday's Council of Ministers meeting to persuade Franco to resign so that Juan Carlos can succeed to the throne.

Many high officials in the government and military fear a "power vacuum" in Spain at a time when the Spanish Saharan problem has become critical and a wave of terrorism continues at home. They would prefer that Franco step down now and, if it becomes apparent that he will not recover fully from his heart attack, they may well initiate proceedings to have him declared incapacitated.

There is no evidence of unusual military preparations in Madrid. The city is calm, life is normal, and there is markedly less apparent unhappiness among civilians and security forces over the prospect of Franco's death than was the case in 1974. This does not reflect hostility toward Franco, but rather a preoccupation with the problems that will survive him.

Madrid radio broadcasts, while playing down the seriousness of Franco's heart attacks, have repeatedly assured listeners that, in any case, institutions will survive and there is a "valid successor" standing in the wings.

*FOR THE PRESIDENT ONLY*

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SPANISH SAHARA

*Since General Franco's latest illness, disagreements have surfaced among Spanish leaders over the government's policy toward the Spanish Sahara.*

Prime Minister Arias reportedly favors ceding the Sahara to Morocco in return for guarantees regarding Spanish interests in the territory. Other officials, led by Foreign Minister Cortina, favor granting self-determination to Spanish Sahara--a solution that Algeria supports--but this faction appears to be losing ground.

[redacted] 25X1  
Arias sent Jose Solis Ruiz--a high cabinet official in charge of Franco's political organization--to see Moroccan King Hassan.

Spain would allow Saharan exiles living in Morocco to participate in a referendum to determine the Sahara's future, if the UN approved. [redacted]

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This dialogue may account for the optimistic public remarks Solis made when he returned to Madrid

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[redacted] Madrid is committed to end the dispute rapidly and is determined to do so.

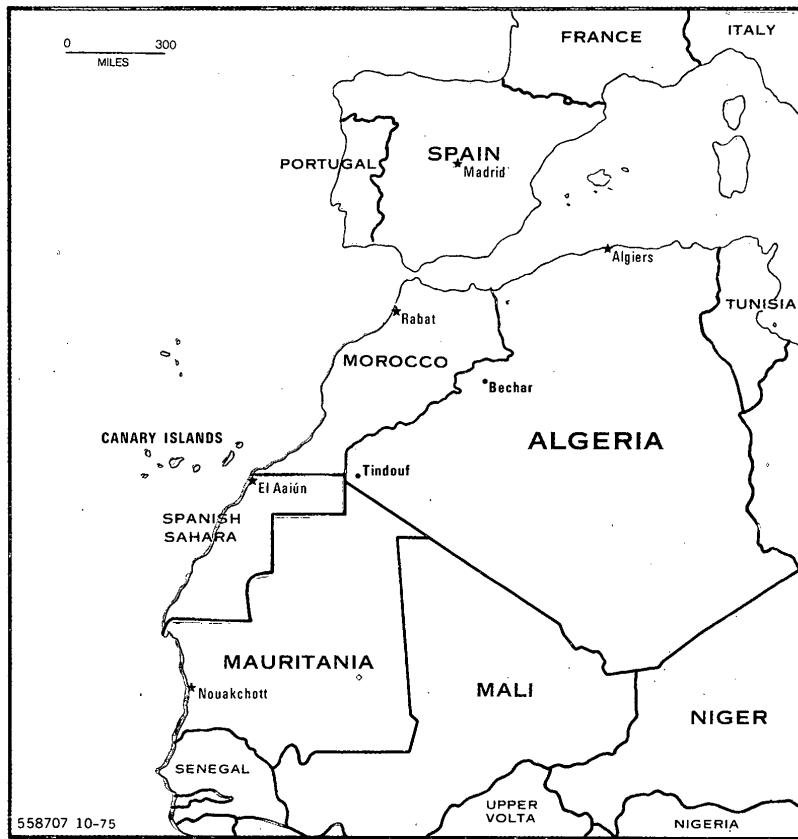
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Many pitfalls, however, remain. The UN may not endorse the Spanish-Moroccan agreement, and Arias is reluctant to act against UN rulings. Morocco may renege on past offers to grant Spain economic concessions.

Foreign Minister Cortina, meanwhile, has threatened to resign over the Sahara issue, and more trouble in the Spanish cabinet is possible at a time when a unified leadership is critical to a peaceful transition to the post-Franco period.

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*FOR THE PRESIDENT ONLY*



*FOR THE PRESIDENT ONLY*

The Algerian Position

Algeria [redacted]

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will intervene militarily if Morocco launches an attack against Spanish Sahara.

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Algerian officials have indicated they would prefer a transition period in Sahara in which Spain plays a major role, followed by a referendum offering a range of options from independence to union with Morocco and Mauritania. The Algerians believe that the Saharans would choose independence in any fairly conducted referendum.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

Spanish forces in the Sahara, meanwhile, continue to improve their defenses along the border with Morocco. Press sources indicate that Spain is increasing the number of military obstacles--including new minefields--to check any advances. By doing so, Madrid apparently is signaling Rabat that it intends to respond forcibly to any Moroccan test of strength.

Moroccan Marchers

The movement of Moroccan volunteers toward assembly points in southern Morocco is [redacted] under way. The first contingent is expected to be within 20 miles of the border with Spanish Sahara [redacted]

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Rabat has still not announced the timing of the final leg of the march from the border to El Aaiun [redacted]

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King Hassan will deliver a speech today directed to the people of Spanish Sahara.

If the Moroccans do cross the border, clashes could occur with Spanish forces or with armed elements of indigenous Saharan political groups that want independence. The Spanish-backed Saharan National Union Party and the Algerian-supported Polisario Front [redacted] will stage a counter-march north to the border.

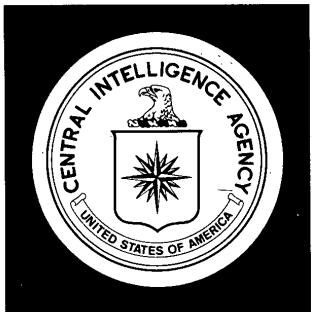
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Both groups probably have been provided with arms. Should either become involved in clashes with the Moroccans, the 12,000 to 15,000 Moroccan troops now in southern Morocco might well intervene.

*FOR THE PRESIDENT ONLY*

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# The President's Daily Brief

*October 24, 1975*

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Exempt from general  
declassification schedule of E.O. 11652  
exemption category 5B(1),(2),(3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

October 24, 1975

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Lebanon: Heavy fighting flared again in Beirut yesterday as efforts continued, without success, to find and release two US officials kidnaped on Wednesday. (Page 1)

Angola: The Popular Movement may be setting the stage for declaring independence before Portugal gives up its colony on November 11. Another source has reported the arrival of Cuban soldiers in Angola. (Page 3)

Notes: Syria; Morocco - Spanish Sahara; USSR; Portugal (Pages 5 and 6)

At Annex we present an assessment of President Sadat's position in the Arab world.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

LEBANON

*Heavy fighting flared again in Beirut yesterday as efforts continued, without success, to find and release two US officials kidnaped on Wednesday.*

Fighting subsided last night, but small arms fire was again reported before dawn today. An around-the-clock curfew has been imposed in some areas of the city. The apparent murder of two Palestine Liberation Organization military officers in Christian areas in and near Beirut on Wednesday night has contributed to increased tensions. Although the Palestinians were not involved in yesterday's fighting, more fedayeen were in evidence manning barricades, and it is feared that less radical leaders will come under pressure to retaliate for the murders.

Beirut radio announced at midday yesterday that all roads in the city were unsafe. For the first time in this round of the fighting, the Beirut-Damascus road has been cut just outside Beirut, adding a new element of nervousness among city residents.

Both Interior Minister Shamun and Prime Minister Karami announced yesterday that "strict measures" had been devised to stop the fighting and would be implemented by nightfall. Neither, however, elaborated on what these measures entailed. Press reports from Beirut indicate some 700 Palestinian military police have joined Lebanese security forces in a new effort to end the fighting. Greater use of the army is apparently not involved; Karami addressed the question in a speech to parliament and seemed to dismiss the possibility of using the army as potentially too destructive.

Karami is coming under increasing attack for his government's inability to handle the situation and is himself increasingly at loggerheads with President Franjiyah, who continues to support the

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

intransigent stand of the right-wing Christians. Karami, apparently in frustration at Franjiyah's obstructionism, is reported to have begun drafting his resignation on Wednesday, but he was dissuaded by the Syrians.

Leftist leader Kamal Jumblatt is still in Damascus, where he has been discussing the Lebanese situation for the past few days. An embassy source in Beirut reports that the Syrians are again trying to persuade him to join the cabinet with Phalangist leader Pierre Jumayyil. Jumblatt has consistently refused to be associated with Jumayyil in a new cabinet line-up.

It now appears that the two kidnaped US officials are in the hands of the radical Popular Front for the Liberation of Palestine. [redacted]

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efforts to locate them have been to no avail. Lebanese security authorities say they have no firm leads. Fatah leaders, who assisted in obtaining the release of a kidnaped US army colonel in June, are also alleged to have no information on their whereabouts.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**ANGOLA**

*The Popular Movement for the Liberation of Angola has launched a major propaganda campaign against "foreign intervention" in Angola. The campaign, probably led by military hardliners in the Movement, very likely is designed to set the stage for a unilateral declaration of independence, possibly before November 11, the date Portugal is scheduled to turn authority over to the Angolans.*

Last night the Popular Movement ordered mobilization of all men between the ages of 18 and 35 to combat an "invading" force in the south said to number nearly 1,000 troops, including mercenaries and South African regulars. According to the Popular Movement's announcement, the invading force has advanced approximately 150 miles into southern Angola. Popular Movement forces in that part of the territory are stretched thin.

The South African government has a small military team in southern Angola to train troops of the National Front. The South Africans, assigned to provide advice and rear-echelon support, have occasionally become involved in fighting.

The mobilization order and the charge of foreign intervention come at a time when the Popular Movement is beginning to feel heavy pressure in the north from military operations of the National Front and the approaching deadline for Angolan independence. In northern Angola, the National Front, [redacted] has advanced to within 13 miles of Luanda, and some fighting is now taking place there.

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The approaching independence deadline takes on added importance for the Popular Movement with each passing day by virtue of Portugal's continued insistence that it will not transfer sovereignty to the Popular Movement alone. The Movement is equally insistent that it is the only liberation group capable and deserving of running the territory after independence. It is attempting to discredit its rivals as instruments of foreign powers and not true representatives of the Angolan people.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

The Popular Movement's ability to carry out a successful mobilization is questionable. The Movement has always had strong popular support in Luanda, but its support in the rural areas and even in the towns of central and southern Angola that it claims to control seems less certain. There, the Popular Movement's mobilization efforts could well bog down.

\* \* \*

A press report yesterday from Lusaka quotes reliable sources as stating that 1,000 Cuban "volunteers" are fighting in Angola.

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The actual number of Cuban military personnel involved cannot be determined with confidence. The number is probably no more than several hundred, and the Cubans most likely will be used in support and advisory roles.

*FOR THE PRESIDENT ONLY*

FOR THE PRESIDENT ONLY

NOTES

*Additional information appears to confirm that some Syrian reservists have been recalled to active duty and that Syrian forces are at a higher stage of alert.*

[redacted] has received information that a large call-up of reservists was begun two weeks ago and carried out quietly. He believes that the Syrians have assumed a higher alert posture, inasmuch as the number of soldiers in the streets of Damascus is only about half that ordinarily seen. [redacted]

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[redacted] Saudi and Syrian forces are scheduled to hold two weeks of joint maneuvers in the Heights area beginning November 1. Some of the military measures recently observed on the Golan Heights may be related to preparations for the exercise. On the other hand, the maneuver itself could serve as a cover for operations against Israel.

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*Moroccan King Hassan gave every indication that he is going ahead with his planned march into the Spanish Sahara. In a brief radio broadcast yesterday directed to the inhabitants of the region, Hassan reviewed Morocco's claim to historic sovereignty over the area.*

The King appealed to the inhabitants of the territory to renew their religious and political allegiance to him and not to resist the march by force. He did not announce a date for the entry of the marchers into Spanish Sahara [redacted]

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[redacted] Mauritania, which hopes to partition Spanish Sahara with Morocco, has publicly supported Rabat's planned march, but opposes using force to settle the dispute.

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FOR THE PRESIDENT ONLY

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*The Soviets again are hinting that they might be willing to engage in bilateral talks on naval limitations in the Indian Ocean.*

On October 16, the head of the USA Institute, Georgy Arbatov, told Congressman Vanik that General Secretary Brezhnev personally supports talks on the issue. Arbatov said that Brezhnev would have endorsed talks last July if the subject had come up during the General Secretary's meeting with the congressional delegation led by Senators Hubert Humphrey and Hugh Scott. On October 17, some members of the institute reminded another visiting US official that the Soviets had taken "small private steps before" on the issue but that the US had not responded. This is probably a reference to an exchange in 1971 when Moscow first broached the idea of a joint understanding on limiting naval deployments in the Indian Ocean. The Soviets never followed up when the US responded four months later.

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*Thousands of Portuguese radical leftists marched through Lisbon last night in a Communist-sponsored demonstration, but there were no violent or untoward incidents.*

Despite open talk of a possible coup, the government did not try to stop the demonstration; it evidently is still playing for time in its struggle to survive. The Communists, in allying themselves with the far left, clearly have the objective of bringing down the government by creating sheer chaos, and by splitting the Socialists and Popular Democrats, who are its principal bulwark. Thus far at least, the two parties are sticking together. The next few days may be decisive ones for Prime Minister Azevedo. The government's offer of amnesty expires tomorrow, but no armed civilian groups have turned in any weapons.

*FOR THE PRESIDENT ONLY*

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EGYPT

*President Sadat's position of leadership in the Arab world is hanging in the balance as a result of the second Sinai disengagement agreement. His position within Egypt is sound, but there too he is vulnerable over the longer term.*

*His best and most important friend at the moment is the US. He will use his visit here next week to seek further tangible expressions of that friendship in order to buttress Egypt against isolation in the Arab world and to reassure his domestic constituents that his foreign policy has not bankrupted the country.*

Egypt's leadership of the Arab world has always been basically a state of mind. Egypt is not the birthplace of Arab nationalism. Syria, Iraq, and even Saudi Arabia can lay better claims to this title. Egypt lacks the natural resources to give it the economic importance of Saudi Arabia and too many political constraints to make it, like Lebanon, a commercial center of the Arab world. Its people are regarded, by themselves and by other Arabs, as a breed apart.

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Egyptian leadership in the Arab world has depended on essentially ephemeral factors. These factors are not working to Sadat's advantage as they worked to Nasir's; as a result, Sadat could lose his ability to influence and guide the other Arabs.

Egypt has been the largest and militarily the strongest state bordering Israel, whose existence is the only thing that has ever unified the modern

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FOR THE PRESIDENT ONLY

*FOR THE PRESIDENT ONLY*

Arab world. It has been a basic tenet of Arab doctrine that there can be no war against Israel without Egypt, and Egypt has been able to command the deference of the other Arabs by exploiting their fear of the consequences if it signed a separate peace accord with Israel.

By signing the second Sinai agreement, Sadat has let slip a part of this hold on the Arabs. Although he does not regard the agreement as a final peace, the other Arabs are not sure Egypt will take a further part in the struggle for the return of the occupied territories. Without Egypt, Arabs have less leverage with Israel but greater freedom to plan their moves without regard to Egypt's interests.

Nasir was able to use the tide of anti-colonialism at mid-century, plus an electric personality and a crusading zeal, to put himself at the head of a resurgent Arab nationalism. He and Egypt seized the leadership of the Arab political world when other Arab states, because of internal instability or simple default, were unable to compete.

Sadat is no Nasir. Even though Sadat's practical accomplishments exceed his predecessor's, he is not able to inspire the Arabs as Nasir did. Sadat must instead produce solid results and the prospect for more, not merely for Egypt but for all Arabs. He has not fully accomplished this.

Memories Fade

Memory has faded of the war that gained the first return of Egyptian and Syrian territory, that enabled the Arab oil states to flex their muscles through the embargo, and that led to international recognition for the Palestinians. The memory that it was Sadat who launched these successes has also faded.

Sadat's standing as a leader has suffered subsequently because he has sought to achieve Arab goals by gradual steps. A policy featuring moderation and negotiation is suspect in Arab eyes because it is both unfamiliar and uncomfortable.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

Nasir's standing depended as much on his ability to shift with popular opinion as on an ability actually to lead and to influence. He never appeared less radical than the most radical of the Arabs. He never appeared less dedicated to the Palestinian cause than the most dedicated Palestinian.

He was the number-one Arab, not because he produced results either for the other Arabs or for Egypt, but because his radicalism, his emotional speeches, and his bold strokes of policy were familiar and comfortable for the Arabs.

Sadat has done little to adjust his policy or his goals to this Arab mainstream. He has, in fact, rejected the rhetoric and the emotionalism that have long been the badge of the proper Arab and, with them, he has rejected the rigidity and inflexibility that have characterized their dealings with the non-Arab world and their attitude toward Israel.

Moderation stood him in good stead when he was able to demonstrate to the Arabs that compromise, even with the Israeli enemy, accomplished more for Egypt and even for Syria than radicalism ever had. He has lately been unable, however, to show that accommodation is producing further results, either for Syria or for the Palestinians. The second Sinai accord is regarded among other Arabs as having produced too little for Egypt to have been worth the price.

A Residual Recognition

Sadat has not lost entirely and forever his ability to lead the Arabs. There is enough residual recognition of the leading role Cairo has played to make the Arabs shun, almost as a reflex action, any move to turn away completely from Egypt. Many Arabs also hope that Egypt has not permanently abandoned the Arab struggle and will in a few years be back playing the leading role.

Jordan has attempted, albeit unsuccessfully, to mediate Egypt's differences with Syria over the disengagement, for no better reason than that Egypt is the principal Arab state and must not be allowed to isolate itself from its neighbors.

(continued)

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*FOR THE PRESIDENT ONLY*

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Saudi Arabia [redacted]

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[redacted] stands with Sadat. Less radical Palestinians have not cut their ties, because they recognize that Egypt's support is vital if they are ever to gain anything by negotiations.

25X1

Syria, historically Egypt's main rival for pan-Arab leadership, is feeling unfulfilled, and it is on Syria's attitude that Sadat's rise or fall as an Arab leader will depend in the last analysis.

Few Arab leaders, no matter what their basic attitude toward Egypt, are pleased by the second Sinai accord; most are sympathetic with Syria's frustration over the lack of progress toward another Golan disengagement.

As has been demonstrated time and again, few Arabs are willing to speak out for moderation when one of their number remains vocally dissatisfied. The general Arab silence on the disengagement has not to this point helped Syria, but it has also not helped Egypt. Silence in this case does not imply consent and, if ever forced to a choice between support for Egypt's position or support for Syria's and the Palestinians', few Arabs would back Egypt.

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# The President's Daily Brief

*October 25, 1975*

5

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Exempt from general  
declassification schedule of E.O. 14176  
exemption category 5B(1), 5B(2), 5B(3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

October 25, 1975

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Lebanon: Heavy fighting erupted in Beirut last night, despite reinforced security forces and a 24-hour curfew in some sections.  
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Angola: The fighting has intensified significantly during the past several days, and the Popular Movement for the Liberation of Angola is now facing pressure on two fronts from the National Front for the Liberation of Angola.  
*(Page 3)*

Spain: Moves for the transfer of power from Franco to Prince Juan Carlos stalled yesterday, even though the General reportedly suffered another heart attack. *(Page 4)*

Notes: Spanish Sahara; Turkey; Vietnam *(Page 5)*

At Annex we present an assessment of what President Sadat may hope to achieve during his visit to Washington.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

LEBANON

*Heavy fighting erupted in Beirut again last night, despite reinforcement of the overburdened security forces by the army and the imposition of a 24-hour curfew in the hardest hit areas of the capital.*

Army units have been given new policing duties at strategic points in and around the city in an effort to alleviate the security forces. The decision to use army units on a limited scale reportedly was worked out late Thursday by Prime Minister Karami and Palestinian leaders and was probably coupled with an agreement to supplement security forces with 700 Palestinian military police.

In a speech to the Lebanese parliament yesterday, Karami nevertheless reiterated his opposition to using the Christian-officered army in a broad security role. This has brought him heavy criticism from right-wing Christians. Employing the army on a larger scale would inflame sectarian feelings and would be viewed by both leftists and the less radical Palestinians as an effort to shore up the Christians.

The decision to give the army added security responsibilities may be the result of Syrian President Asad's meeting with PLO leader Yasir Arafat and Saiga leader Zuhayr Muhsin earlier this week.

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Movement on the political front has been slow and has been impeded by controversy over the proper forum for resolving the crisis. The political sub-committee of the national dialogue committee resumed

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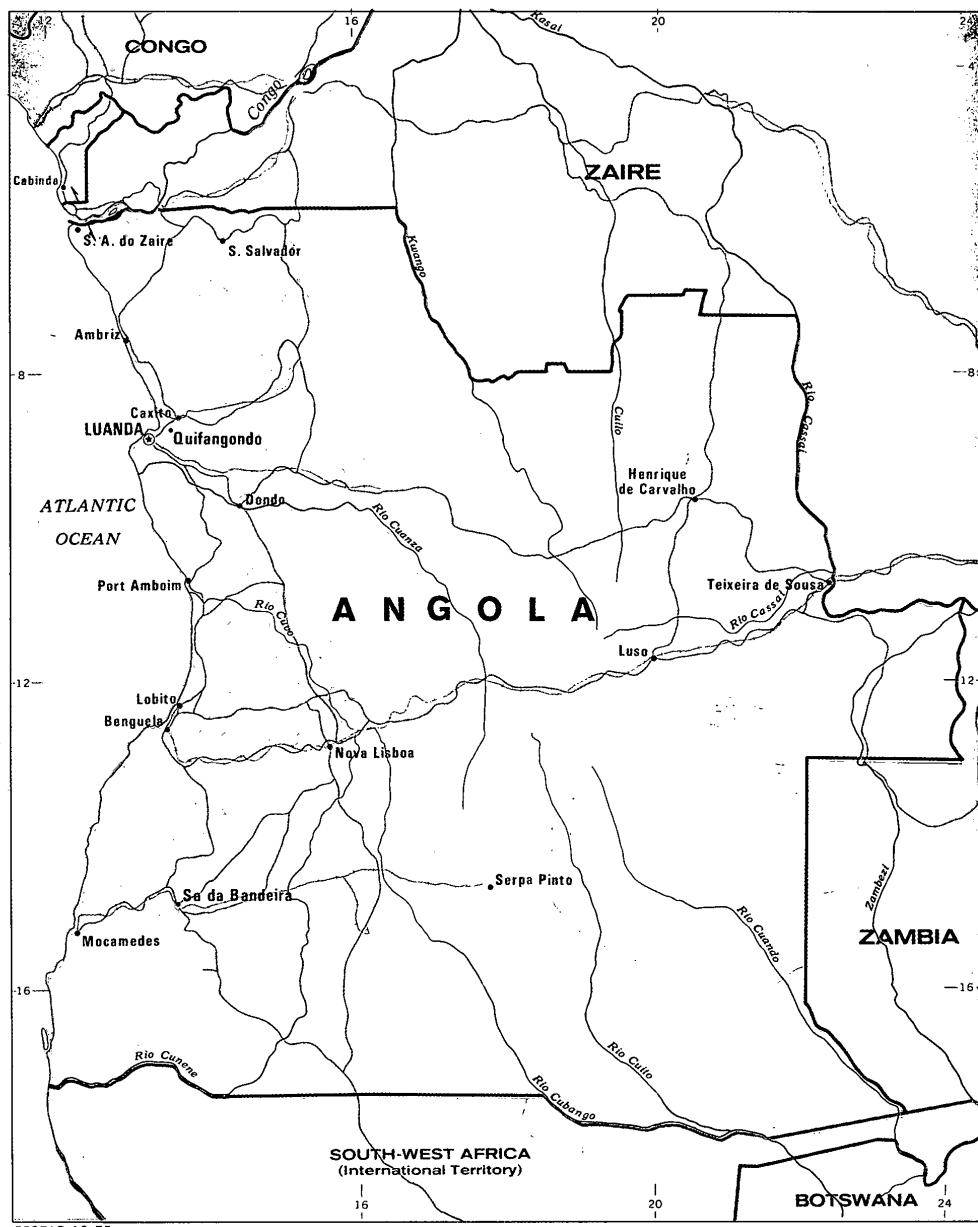
*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

its deliberations yesterday on an agenda worked out earlier in the week. The agenda includes consideration of such controversial issues as: readjustment of religious representation in government institutions, restructuring of the powers and prerogatives of the three branches of government, and reorganization of the army.

The mere acceptance of the agenda is a setback for Phalangist leader Pierre Jumayyil, who opposes consideration of a reform program before security is restored and such issues as the status of Palestinians are resolved. Neither Jumayyil nor leftist leader Kamal Jumblatt, his major antagonist, were present for the debate on the agenda or yesterday's session; both were represented by stand-ins. According to one press account, the subcommittee has authorized the preparation of a study on sectarianism in Lebanon.

The subcommittee's work has been further hampered by a growing public debate over the utility of the "national dialogue" concept and its legality in the face of parliament's constitutional authority.



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*FOR THE PRESIDENT ONLY*

ANGOLA

*The fighting has intensified significantly during the past several days, and the Popular Movement for the Liberation of Angola is now facing pressure on two fronts from the National Front for the Liberation of Angola.*

In northern Angola, recent fighting north of Luanda has centered on the town of Quifangondo, the site of the capital's vital water pumping station. The Front appears to be stalled on the outskirts of the town and is waiting to be supplied with ammunition. Popular Movement forces in Luanda reportedly are nervous about the Front's offensive, and their morale is low.

In the southern part of the country, the Popular Movement's hold on Sa da Bandeira is threatened by a large National Front force that has driven to within 18 miles of the city.

Organization of African Unity chairman Idi Amin has called for an emergency meeting in Kampala to discuss the Angolan situation. He is making a last-ditch effort on behalf of the OAU to reconcile the leaders of the three warring liberation groups.

*FOR THE PRESIDENT ONLY*

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SPAIN

*Moves for the transfer of power from Franco to Prince Juan Carlos stalled yesterday, even though the General reportedly suffered another heart attack.*

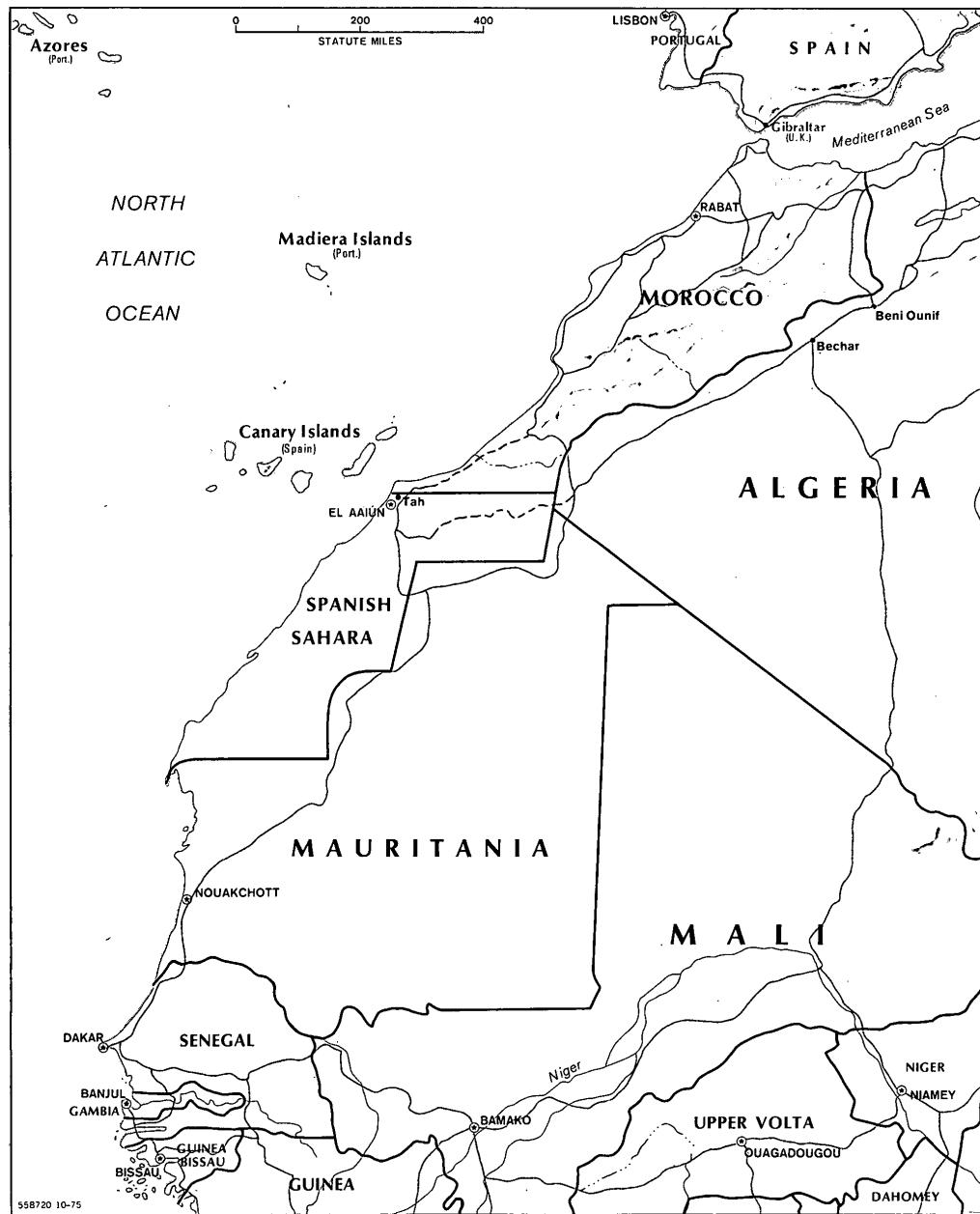
It is not clear whether the delay is a result of opposition from right-wing elements, or a general reluctance to force Franco's retirement under circumstances which may return to haunt those who will be working for the development of a more open political system in the post-Franco period.

A key political figure claimed on Thursday that practically all major military and political figures had reached a consensus that Franco should step down. A senior military officer has told one of our embassy officers that Franco now would have to retire, regardless of his health status.

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Madrid remains calm, but armed guards have been increased at several locations, including the Portuguese and US embassies.

*FOR THE PRESIDENT ONLY*



*FOR THE PRESIDENT ONLY*

NOTES

*There are new signs that Morocco will postpone its planned mass march into Spanish Sahara.*

Moroccan officials said yesterday that the march, expected to begin early next week, may be delayed several days. Moroccan spokesmen have declared, however, that nothing will stop the march. King Hassan is probably allowing time for the talks now under way with Spain to produce results. He may recognize that Spanish officials are reluctant to make any policy initiative until Franco dies or power is transferred to Juan Carlos. Hassan also is awaiting the arrival on Sunday of UN Secretary General Waldheim.

\* \* \*

*With negotiations on the status of the US bases scheduled to begin next week, Turkish Prime Minister Demirel is still trying to reach a consensus within his coalition that would allow him to act on both the base issue and the Cyprus problem.*

He is having difficulty, however, with the most troublesome coalition partner, Necmettin Erbakan, who appears determined to maintain his obstructionist position within the government despite his party's substantial losses in the recent midterm senatorial election. The government probably will survive, but the Prime Minister's ability to act decisively will be hampered by the continued bickering. The military, meanwhile, wants to consolidate gains made last summer on Cyprus, restore relations with the US, and ease Turkey's sense of international isolation. Military leaders generally agree that the government's continuing inaction is exacerbating these sensitive problems. They may already have put pressure on the politicians--Demirel in particular--to reach some solution on the Cyprus issue and to move to normalize relations with the US.

\* \* \*

*The Vietnamese are rounding up some US ground tactical communications equipment for delivery to the Soviets and Chinese, according to intercepted messages.*

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EGYPT

*President Sadat's isolation in the Arab world as a result of the second Sinai agreement will be critical primarily as it affects his domestic position. He will look to the US for insurance against an erosion of his support at home.*

Despite criticism from Egyptian leftists, who instinctively oppose Sadat's policies, especially the disengagement agreement, the majority of Egyptians currently support the agreement and back Sadat.

--They had grown restive over the continuing no-war, no-peace situation and are pleased that demonstrable progress has been made toward a return of more Egyptian territory.

--They anticipate that the respite from preparations for war will give the government time to concentrate on revitalizing the economy and will encourage foreign investors who have been deterred by the possibility of war.

--They rally around Sadat precisely because the other Arabs are so vehemently criticizing him and the agreement.

Indeed, the criticism by outsiders is probably Sadat's strongest domestic prop at the moment. Egyptians think of themselves as better than other Arabs and do not like being told by Arab brethren how to run Egyptian affairs.

The Egyptians believe, with a touch of self-pity, that, while they have borne the brunt of four wars in the service of other Arabs, the others have received arms and oil money in abundance. As a result, Egyptians deeply resent that they or their president should be tagged an Arab traitor.

Dangers for Sadat nonetheless lurk amid the very things that now work to his advantage. Egyptian satisfaction with the progress made in negotiations will wane as time passes, and is likely to change to impatience as months pass and Sadat does not press very soon for more negotiations.

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FOR THE PRESIDENT ONLY

*FOR THE PRESIDENT ONLY*

If the next few years do not bring either negotiated territorial returns or war, discontent could become a problem within the military. Senior military officers are generally satisfied with the disengagement agreement because they recognize that Egypt probably could not have succeeded in taking by force the territory it has retrieved through negotiation. Many younger officers, however, seem to have an exaggerated notion of Egypt's military capabilities and apparently believe that Cairo might have achieved more militarily.

Discontent in the armed forces could be magnified if the virtual termination of Soviet military deliveries is not compensated by a substantial influx of equipment from other sources.

Economic Expectations

Sadat faces a difficult time economically. While the disengagement agreement is welcomed for the economic benefits that are expected to flow from it, trouble will arise if the benefits are not soon evident to the man in the street, who is weary of food lines, shortages of essential commodities, and the high prices of those he can obtain.

The government has raised expectations to a high pitch, and it will be hard pressed to fulfill them. Economic grievances will provide leftist agitators a fertile ground for fomenting political protest.

Sadat faces another internal danger because of the position in which the disengagement agreement has placed him with other Arabs. The same feeling of superiority that now brings applause when Sadat damns another Arab country might ultimately cause the Egyptians to rue the day when the disengagement, and Sadat, has so turned the other Arabs against Egypt that it is no longer able to exercise that superiority.

This sentiment is already apparent among leftists in Egypt, and Sadat could become much more vulnerable to charges of destroying a legacy of Arab leadership that Nasir devoted his life to building. Even those Egyptians who support Sadat might be made to believe, through an emotional evocation of the hero Nasir, that things were somehow better before Sadat came along.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

Economic Aims

Since late 1973, Sadat has been trying to overcome six years of zero growth and declining living standards. He aims to overhaul Egypt's highly inefficient economic structure, to entice foreign investment, and reorient the Egyptian economy so that it can begin to compete in Western markets.

Sadat has rebuilt much of the war-damaged canal zone and stabilized the Egyptian standard of living. These successes have been financed by the rich Arab states, whose assistance jumped from \$650 million in 1973 to \$2 billion in 1975.

This money allowed the value of Egyptian imports to rise 90 percent in 1974 and some 60 percent this year. As a result, the current-account deficit for 1975 will likely reach \$3 billion, one of the largest among the developing countries.

Sadat must, however, maintain economic momentum. A continuation of the 5-percent growth rate will require financial assistance equal to 1975 and for at least the next few years. Egypt will earn foreign exchange from the Suez Canal and from Sinai oil, but the increases will just offset expected hikes in imports.

Sadat so far has been unable to line up the financial support needed. The rich Arabs have kept him on a hand-to-mouth basis. This has deterred Egyptian long-term planning and has led to excessive short-term commercial borrowing, designed in part to force Arab donors to rescue Cairo from its financial straits. This financial brinksmanship has in turn reinforced Arab distrust of Egyptian administrators and has further delayed long-term aid.

Unable to secure a satisfactory financial commitment from other Arabs, the Sadat government has sought since last year to extend the moratorium on the military debt to the USSR. Moscow so far has refused; Egypt is in arrears, and shipments of Soviet military goods have all but stopped.

Failure to reach a financial accommodation with the USSR would be costly to Egypt in the absence of further Western or Arab assistance. If

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*FOR THE PRESIDENT ONLY*

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Soviet repayment terms are to be met, Cairo must divert to the USSR \$300 million annually in goods now being shipped to the West. Continued refusal to pay Moscow may threaten Egyptian exports to the USSR. Because Egypt would have a hard time marketing these goods elsewhere, an additional hard-currency outlay of perhaps \$300 million would be required to replace Soviet with Western goods.

Looking to the US

Sadat will look to the US for the economic and military aid he believes will be needed to shore up his position against possible domestic threats.

On the economic side, he probably will seek a multi-year economic aid commitment large enough to serve as an example for other donors. He will also want sufficient technical and administrative support, through either a bilateral agreement or a consortium arrangement, to inspire substantial long-term Arab aid and investment.

On the military side, he will ask the US to lift its embargo on arms shipments to Egypt. The fact that the US delivers arms to Israel does not in itself bother Sadat; he recognizes this as a necessary ingredient in Washington's ability to press Israel diplomatically.

What does bother him is that the US does not deliver arms to Egypt. This uneven treatment, this lower priority accorded Egypt, is in his mind almost the only thing still wrong in the US-Egypt-Israel triangle.

He does not expect parity, and he does not want to be dependent again on a single source of arms. He does hope for some US military equipment, both as a symbol that Egypt is as important to the US as is Israel, and as a means of righting what he sees as the heavy imbalance caused by Israel's re-armament when Egypt's prime source of arms is all but cut off.

Sadat needs US arms for reasons more important than simply his frame of mind. He has frequently been subject to criticism from the Egyptian military for endangering Egypt's supply of Soviet equipment. Unless he can obtain a relatively steady flow of arms, preferably from the US, he is likely to come under attack for seeming to condone US efforts to reinforce Israel's military superiority while allowing Egypt to lapse still deeper into military inferiority.

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# The President's Daily Brief

*October 27, 1975*

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~~Top Secret 25X1~~

Exempt from general  
declassification schedule of E.O. 14176  
exemption category 5B(1),(2),(3),  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

October 27, 1975

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Portugal: The government appears to have emerged from the events of the past few days with its authority somewhat strengthened, in spite of a series of terrorist bombings and a spate of coup rumors. (Page 5)

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

**SYRIA-ISRAEL**

*Syria has continued to take military measures that could indicate it intends to initiate some type of hostility shortly with Israel.*

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*[redacted] Syrian forces are on alert-- the ground forces were placed on full alert [redacted] while the air and air defense forces are on a somewhat lower level of readiness. All Syrian military personnel [redacted] have been recalled from leave.*

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*[redacted] Syria's 7th Infantry Division has been reinforced near Qatana with nearly a battalion of artillery. In addition, [redacted] military vehicles of front-line Syrian units have been dispersed into revetments, and [redacted] Syrian soldiers at the front are now wearing steel helmets and carrying arms [redacted]. [redacted] Syria [redacted] has activated the forward command posts of at least two of its three infantry divisions at the front, and is moving artillery ammunition forward.*

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*[redacted] Syrian commanders were ordered [redacted] to start dispersing their units and to begin construction of fortifications, trenches, and tank positions. Syrian troops [redacted] have been placed in a higher state of readiness. [redacted] Syrian artillery battalions had been supplied with illumination shells, which Syrian officers interpreted as the beginning of preparations for night fighting.*

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

[Redacted]

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[Redacted]

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[Redacted]  
[Redacted]  
Damascus [redacted] could initiate military action at any time. Syria's forces are deployed close to the front and Israel would have little warning if Damascus decided to resume fighting. This warning time has been further reduced by the Syrians' recent military realignments.

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the Syrians are planning some offensive action on or about October 30.

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Meanwhile, Israel may have taken some limited military precautions to meet any Syrian threat.

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[Redacted] seeing a larger than usual number of troops and reservists returning to military units in northern Israel yesterday. He reported, however, that activity at Israeli military camps appeared normal.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

LEBANON

*The heavy fighting, which broke out in Beirut on Friday night, continued over the weekend and spread to normally quiet areas near the city's foreign residential section. A few stray bullets hit the US embassy, and mortar fire damaged Austrian embassy facilities reportedly wounding the ambassador.*

A cease-fire is said to have been agreed to by the feuding left and right-wing factions following an appeal after an emergency session of the Lebanese cabinet yesterday. The cease-fire seems to be taking hold slowly, however, and is not likely to last much longer than previous ones. The fighting appears to be limited mostly to Beirut, with other areas of the country remaining relatively calm.

The Lebanese army remains out of the fray. It continues to guard a few key government installations and to man roadblocks at major entrance points into the city.

Ambassador Godley reports the increasingly grim situation in the city is causing more apprehension in the foreign community. The British already have recommended the voluntary evacuation of nonessential personnel, and Ambassador Godley is contemplating similar action today unless the situation improves. He intends to expedite the departure of US regional personnel whose offices already are being relocated. The director of UN activities in Beirut on Saturday ordered all UN offices closed until further notice.

Syrian officials, meanwhile, claim that approximately 200,000 Lebanese have fled to Syria in recent days to escape the fighting. They also say Damascus is sending food to Lebanon and has sent fire fighting brigades to Beirut.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

There is still no information on the whereabouts of the two kidnaped US officials and some confusion about who is holding them. Yesterday, the deputy head of the leftist Popular Socialist Party in Lebanon told our embassy they were being held by a Lebanese--not Palestinian--organization. Earlier reports indicated that the two men were in the hands of the radical Popular Front for the Liberation of Palestine.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

PORUGAL

*The government appears to have emerged from the events of the past few days with its authority somewhat strengthened, in spite of a series of terrorist bombings and a spate of coup rumors.*

On his arrival Saturday in Porto, where he went to shore up the regional military commander in the face of leftist attacks, Prime Minister Azevedo said that authority and discipline would be reinstated in Portugal "at any price." Azevedo's words, as well as his trip to Porto, signaled his strong support for the northern commander's efforts to restore military discipline there. Such efforts were undermined earlier this month by Army Chief of Staff Fabiao when he acquiesced to the demands of rebellious soldiers.

In a further positive move, the government on Friday announced new commanders for the Republican National Guard and the civil police. [redacted]

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[redacted]  
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The Prime Minister said his visit to Porto was the first in a series to various parts of the country, which presumably he will use to mobilize popular support for his government. Although the Communists urged their supporters not to attend Azevedo's rally, his appearance in Porto drew 150,000 people. This number contrasts sharply with the anti-government demonstration last week in Lisbon which drew only about 13,000.

The military alert announced on Friday ended abruptly on Saturday with the explanation that the country is now calm. Whatever the reason for the alert--it may have been politically motivated--it appears to have been skillfully used by the government to at least temporarily seize the initiative and marshal its forces.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

EGYPT-USSR

*The USSR has issued its strongest attack to date on Egyptian policies and the second Sinai disengagement agreement on the eve of President Sadat's arrival here.*

In an article in Pravda on Saturday, which indicated top level Kremlin endorsement, the Soviets bitterly rebutted Sadat's allegations of less than wholehearted Soviet diplomatic and military support. The article seems to be designed to present Moscow's case on assistance and to discredit Sadat's arguments for dealing with the US. It particularly disparaged Egyptian criticism of Soviet military aid, and reminded the Egyptians that experience with the West in the early 1950s should have demonstrated to them that they cannot expect "imperialist states to show concern for building up Egypt's military strength."

Despite its scathing tone, the article did not attack Sadat by name and kept the door open for better Soviet-Egyptian ties. Pravda, however, clearly put the onus for improving relations on Egypt, saying that cooperation cannot develop if one party follows policies that undermine it.

The article also contains Moscow's most authoritative exposition of its opposition to the second Sinai agreement. It particularly chastises the provision for US observers in the Sinai, describing it as being "fraught with far-reaching, dangerous consequences." The article reiterated the utility of the Geneva conference as the forum for the resolution of the conflict, but did not reject further partial steps toward a settlement under the Geneva umbrella.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

[redacted]

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[redacted] The [redacted]

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net impression left by [redacted]  
[redacted] the Pravda article is that Moscow does not close  
out any practical options for the next step in Mid-  
dle East diplomacy as long as they include Soviet  
participation.

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

SPAIN

*The death watch over General Franco continues in Madrid. A medical bulletin issued this morning said he is now suffering from stomach bleeding and congestive cardiac insufficiency.*

The government appears to be holding off on taking any action to declare Franco incapacitated because his imminent death makes the action unnecessary. Plans for swearing in Prince Juan Carlos are being made.

The immediate transition period is expected to be calm. Various important illegal opposition leaders have told our embassy that they are willing to give the Prince a chance to move Spain toward democracy. [redacted] even the Communist Party is voicing a similar opinion. The Basques also are expected to adopt a wait-and-see attitude, but the radical, dissident communist, Patriotic, Anti-Fascist Revolutionary Front probably will initiate further terrorist activities.

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*FOR THE PRESIDENT ONLY*

FOR THE PRESIDENT ONLY

## NOTES

The Soviets are continuing to take some fairly sharp propaganda shots at the Chinese, but their [redacted] commentaries on the relationship suggest stalemate rather than alarm.

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A recent Pravda article accused the Chinese of escalating their anti-Soviet campaign, but attributed this hostility to Mao's frustration over the failure of his domestic and foreign policies. Moscow's handling of Secretary Kissinger's visit to Peking suggests that the Soviets are not as concerned as they once were about China's ability to use relations with the US against the USSR. For the first time, Soviet propaganda has contrasted China's opposition to detente-related developments with the position taken by the Secretary. Moscow especially noted Sino-US differences in assessing the results of the recently concluded European Security Conference.

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The Indonesian military operation launched [redacted] in Portuguese Timor has bogged down.

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Field commanders apparently underestimated their logistical problems and the strength of Fretolin forces operating near the border. Jakarta remains determined, nevertheless, to escalate its operations inside Portuguese Timor [redacted]

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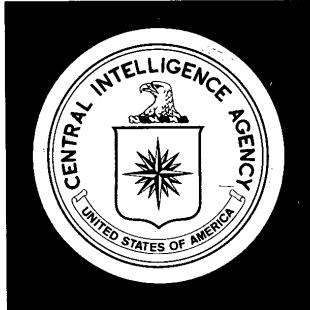
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[redacted] Indonesia wants to establish a number of small military enclaves in the Portuguese half of the island from which it can attack Fretolin forces. Three such enclaves already have been set up, and Jakarta hopes to establish two more by the end of the week.

FOR THE PRESIDENT ONLY

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# The President's Daily Brief

*October 28, 1975*

5

~~Top Secret~~ 25X1

Exempt from general  
declassification schedule of E.O. 14176  
exemption category 5B(1), 2(i), (3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

October 28, 1975

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Spanish Sahara: Both Spain and Morocco are expressing optimism that their countries can reach agreement over the territory following the visit of Moroccan Foreign Minister Laraki to Madrid last week. (Page 4)

Notes: USSR; China (Page 6)

*FOR THE PRESIDENT ONLY*

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LEBANON

*The fighting entered a new stage over the weekend, as Christian and Muslim extremists for the first time battled for control of neutral areas in central Beirut.*

Until the weekend, the two sides had been staying generally within their respective enclaves, shelling nearby areas controlled by their opponents but venturing out only for hit-and-run bombing attacks in the commercial areas of the city. The expansion of the area of hostilities has reduced further the limited area over which the Lebanese government has effective control. The cease-fire announced by Prime Minister Karami after an emergency cabinet meeting Sunday afternoon was immediately and widely disregarded.

[redacted]  
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So far, the army has been used only to secure the road from the city center to the international airport, to control selected government buildings and installations in Beirut, and in a very limited way to replace internal security service units on the periphery of the city.

The spread of fighting apparently represents only the continuing deterioration of the general security situation rather than the introduction of any additional groups into the hostilities. The major fedayeen groups, including Fatah and Saiga,

[redacted] 25X1

[redacted] have not yet become directly involved in the fighting. Fatah headquarters in Beirut continues to admonish all Fatah units to respect the cease-fire.

It is possible, if the security situation continues to deteriorate, that Christian army officers will be moved by a sense of their own frustration or President Franjiyah's ineptness to seize control of the government, with or without Franjiyah's

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

acquiescence. In the past, such thoughts would have been discarded by awareness among high-ranking officers that any such move would lead to civil war and to widespread divisions within the army. Given the current trend, however, these officers could soon conclude that Lebanon is already in civil war, and that there is more to lose by waiting than by acting.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

SPAIN

*Most Spanish officials, convinced that General Franco will not recover, are focusing on the post-Franco period. The first clues as to the intentions of Prince Juan Carlos in pressing for reform should appear in the speech he is expected to make after the transfer-of-power ceremonies.*

Juan Carlos has a good chance of winning commanding support if he develops a policy that clearly departs from the tenets of Franco's rule without appearing to be an abrupt rupture with that era. He will have to suggest gradual progress toward establishing a freer political system but indicate clearly that this evolution will be tightly controlled.

There will be some trouble, regardless of how skillfully Juan Carlos manages the transition period. The far-left Antifascist and Patriotic Revolutionary Front may intensify its terrorist campaign when Juan Carlos assumes power. Fifteen alleged members of this group were arrested over the weekend.

Violence from the extreme right may also increase. On Sunday, a right-wing group publicly ordered 17 prominent Catalans associated with leftist political organizations to leave the country within 24 hours after Franco's death or face death themselves.

The military and, to a greater extent, the police are maintaining a low-level alert.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

SPANISH SAHARA

*Both Spain and Morocco are expressing optimism that their countries can reach agreement on the Spanish Sahara following the visit of Moroccan Foreign Minister Laraki to Madrid late last week.*

A high-ranking Spanish official claims that the dispute within the Spanish government between Prime Minister Arias, who favored ceding the Sahara to Morocco in return for guarantees regarding Spanish interests in the territory, and Foreign Minister Cortina, who wanted to grant self-determination to the area, has been settled in favor of Arias. The Spaniards are being very tight-lipped, however, about their terms for settlement.

The Spanish information minister has announced that a bill has been submitted to the Cortes that would empower the government to take any action deemed necessary to decolonize the Sahara. The minister also stated that Spain stands by its policy, communicated to the UN Secretary General last May, to decolonize under UN auspices while continuing discussions with interested parties. Should the UN be unwilling to give its blessing to Spain's action, Madrid reserves the right to take unilateral steps.

Morocco seems pleased with the latest round of talks with Spain. In a statement on October 25, Foreign Minister Laraki said the two governments discussed ways of settling the dispute peacefully, in accordance with the UN Security Council resolution of October 22, and that Spain and Morocco were "on the road to agreement."

Laraki made a quick trip to Mauritania on Sunday, and his Mauritanian counterpart reportedly arrived in Morocco yesterday for talks with King Hassan. Both countries claim the Spanish Sahara and apparently have an agreement to partition the territory.

(continued)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

UN Secretary General Waldheim, who was authorized by the Security Council to undertake immediate consultations with the parties involved, spoke with King Hassan on Sunday and went on to Mauritania the same day. He was in Algiers yesterday and arrived in Madrid last night.

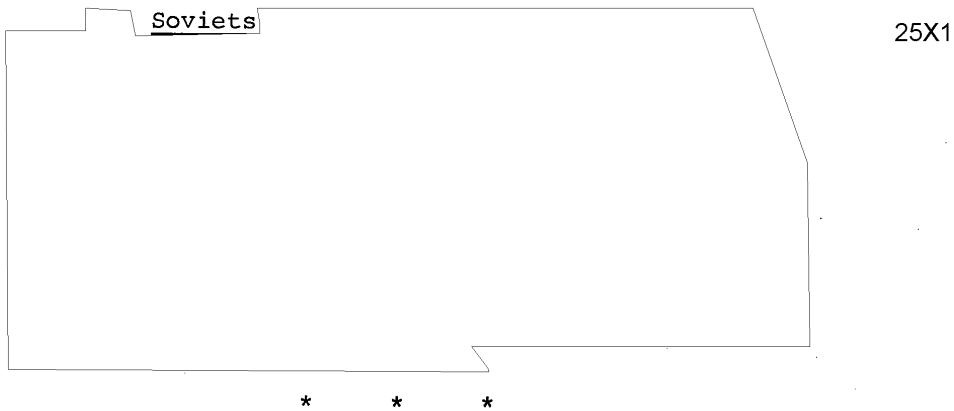
Algeria, for its part, questions how bilateral negotiations between Rabat and Madrid can be reconciled with last week's Security Council resolution calling for discussions among all interested parties--a formulation that would allow Algeria to participate in any talks. Algeria is increasing its press attacks against Morocco and is giving heavy play to adverse world press reaction to Morocco's planned march. The press has emphasized that Morocco's claim to Spanish Sahara was questioned in the recent advisory opinion of the International Court of Justice.

Algiers is probably giving arms to the Polisario Front, a pro-independence Saharan party that Algeria has been supporting for some time. The government may also soon allow Moroccan dissidents living in Algeria to resume activities. At the UN, Algerian Foreign Minister Bouteflika can be expected to argue that the opinion of the International Court of Justice clearly supports self-determination for the Spanish Sahara. He is also likely to call for consultation with the people of Spanish Sahara, as recommended in a recent UN fact-finding report.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTES

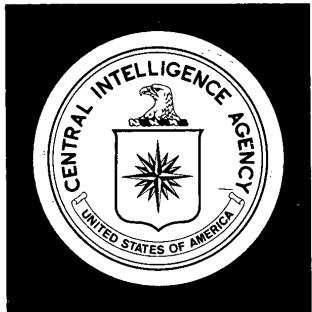


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*FOR THE PRESIDENT ONLY*

*Top Secret*



# The President's Daily Brief

*October 29, 1975*

6

~~Top Secret 25X1~~

Exempt from general  
declassification schedule of E.O. 14176  
exemption category SB(1),(2),(3)  
declassified only on approval of  
the Director of Central Intelligence

**FOR THE PRESIDENT ONLY**

October 29, 1975

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**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

**TURKEY**

*The draft document, presented by Turkish representatives at the negotiations for a revised US-Turkish defense cooperation agreement, has been characterized by our embassy in Ankara as "uniquely and unacceptably one-sided."*

Reflecting the anticipated obdurate Turkish position, the Turkish negotiator:

- Expressed again Ankara's contention that the US Congress had wrongly linked the Cyprus situation to the arms embargo.
- Warned that the new agreement must be designed to prevent another arms embargo.
- Suggested that the US might want to consider streamlining its operations in Turkey because, under the new agreement, Ankara would expect compensation of \$1.5 billion annually if the US retained use of all the facilities it operated prior to the suspension of activities in July.

Turkey's negotiator struck a more positive note by confirming earlier indications that the US request for a partial resumption of operations at the bases had been referred to the government. Turkish officials had previously insisted that no activities would be allowed to resume until at least the essentials of a new accord had been agreed upon.

**FOR THE PRESIDENT ONLY**

**PORUGAL**

*The government has taken further steps to assert its authority following Prime Minister Azevedo's successful trip to Porto last weekend.*

The first crackdown by the military on Communist-backed seizures of privately owned farms occurred north of Lisbon on Monday, when a cavalry unit arrested ten farm workers' union squatters. The action by the military is significant in light of the Communist-inspired seizure of over 500,000 acres of prime farmland in southern Portugal since summer. Because much of the expropriated land lies fallow and large numbers of livestock have been slaughtered, the takeovers could cause serious agricultural shortages by next year.

Left-wing demonstrators were ousted on Monday from the civil governor's offices in Faro, in the southern Algarve resort area. The leftists had occupied the offices to protest the recent removal of the pro-Communist governor. Soldiers rushed to the scene, after a combined assault on the offices by the Socialists and Popular Democrats resulted in a brawl.

The Portuguese army, and particularly Chief of Staff Fabiao, has come in for harsh criticism because of lax discipline and failure to ensure public order. An army spokesman said Monday that 18 percent of the army will be demobilized while Fabiao is away this week on a visit to West Germany. The cutback will add to the country's unemployment problem, already estimated to be ten percent of the work force. It also will give military authorities an opportunity to remove troublemakers from the armed forces.

The approaching end of the government-sponsored airlift of Angolan refugees could spell additional problems for the government this week. Nearly 200,000 returnees will have reached Portugal by Friday. These increasingly embittered and frustrated refugees have refrained from taking direct political action, reportedly for fear of reprisals

(continued)

**FOR THE PRESIDENT ONLY**

*FOR THE PRESIDENT ONLY*

against friends and relatives still in Angola. Last weekend, however, a group believed to be associated with the refugees claimed responsibility for a bomb attack on a left-wing cultural center. The group, which blamed the government refugee agency for the plight of the returnees, said it had decided to "answer force with force and violence with violence." Another refugee group sent a delegation to our embassy last week to ask for arms, money, and organizational support.

*FOR THE PRESIDENT ONLY*

**FOR THE PRESIDENT ONLY**

**LEBANON**

Prime Minister Karami yesterday announced the formation of a ten-member "security committee" to implement the cease-fire called last Sunday. Karami said that the group, which includes the country's major political leaders, will meet continuously in his office until the fighting stops.

Prospects for the committee's success are poor. Most members have been unable to reach the Prime Minister's office because of continued fighting, and one, Socialist leader Kamal Jumblatt, has said he will not participate. According to press reports from Beirut, Jumblatt dismissed the new committee as an outdated attempt at "tribal reconciliation," and insisted that Lebanon's problems must be solved through fundamental reforms initiated by the 20-member national dialogue committee.

In addition, an aide to Phalangist leader Jumayyil was killed yesterday in the continuing fighting around the parliament building. His death will lead to Phalangist calls for revenge against the far left, and will reinforce Jumayyil's extreme reluctance to make political concessions.

The fighting in Beirut's commercial area was heavy throughout the day yesterday and remained so early today. The Phalangist militia seems to be on the defensive and is withdrawing from the luxury hotel district it had seized over the weekend. The Christian seizure was opposed initially by Lebanese Nasirists and radical Palestinians, but by yesterday morning some units of the major fedayeen groups--Fatah and Saiga--were also involved.

[Redacted]  
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[Redacted]  
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*FOR THE PRESIDENT ONLY*

[redacted] 25X1  
[redacted] 25X1  
[redacted] 25X1  
[redacted] Syrian army troops with tanks and armored personnel carriers are assembling on the Syrian-Lebanese border in the north. A show of force would be designed to impress on the Lebanese that Damascus is serious about restoring order. [redacted]  
[redacted] 25X1  
[redacted] 25X1  
[redacted] 25X1  
[redacted] Damascus did take such action [redacted] during the last major Lebanese crisis in the spring of 1973.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

SPANISH SAHARA

*Moroccan Foreign Minister Laraki, accompanied this time by his Mauritanian counterpart, returned to Madrid yesterday for another round of talks on Spanish Sahara.*

The quickening pace of diplomatic contacts and the inclusion of Mauritania, which is aligned with Morocco on the Spanish Sahara dispute, suggest that negotiations with Spain are making progress. An understanding may be near that would partition Spanish Sahara between Morocco and Mauritania and grant Madrid military bases and various economic concessions.

The three countries have reason to settle the Sahara dispute quickly. Morocco and Mauritania would like a negotiated fait accompli in hopes of heading off a UN debate this fall on self-determination for the disputed territory. Spain would like to settle the issue before Juan Carlos assumes power in order to spare his new government an additional burden. The three governments may seek a UN Security Council resolution endorsing whatever arrangements they are able to work out.

Algeria, which opposes a turnover of the territory to Morocco and Mauritania, remains the chief stumbling block to an early resolution of the dispute. According to an Algiers radio broadcast, Foreign Minister Bouteflika, who is still at the UN, sent a message to Secretary General Waldheim last weekend endorsing his consultative mission to Morocco, Mauritania, Algeria, and Spain, which ended yesterday.

Bouteflika made clear, however, that Waldheim should confine himself to seeking a reduction of tensions in the area, and that the adoption of appropriate measures for decolonization should be left to the General Assembly. He added that these measures must be in accord with the recent report by a UN fact-finding group and an advisory opinion by the International Court of Justice, which had the effect of weakening Morocco's claim to the territory.

*FOR THE PRESIDENT ONLY*

FOR THE PRESIDENT ONLY

NOTES

The Israelis say seven fedayeen infiltrators with sabotage equipment crossed the UN buffer zone from Syria early yesterday; two were killed and five captured.

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The Israelis appear to be resigned to a limited US military aid program for Egypt, despite predictable public warnings that such aid will have an unsettling effect on the Middle East.

The Israeli government press office distributed an interview with Foreign Minister Allon the day President Sadat arrived in Washington in which Allon cautioned that any "new scheme of rearmament" in the Middle East could only lead to a new arms race there. Israeli press commentators, however, admit that Sadat cannot come home empty-handed and anticipate that the US will give him "non-lethal" equipment, such as vehicles, radars, and other electronic gear. Nevertheless, they are worried that Sadat may be able to extract assurances that Washington will favorably consider Egyptian requests for such items as US fighter aircraft, tanks, missiles, or armored personnel carriers after next year's presidential election.

(continued)

FOR THE PRESIDENT ONLY

*FOR THE PRESIDENT ONLY*

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*The Lao are taking an increasingly harsh line toward Thailand and are refusing to cooperate in reducing tensions along their Mekong border.*

Vientiane last week rejected a Thai proposal for joint Mekong river patrols to assist in preventing clashes along the river. Commenting on the Thai proposal, Radio Pathet Lao asserted that progress on relations could not be made because Bangkok had failed to return former Lao military equipment now in Thailand, allowed Lao non-communist exiles "to carry out activities in Thailand," and helped the US to "create disturbances in Laos." Vientiane's position almost certainly reflects Hanoi's influence. The North Vietnamese have been citing the Thai refusal to return South Vietnamese military equipment as a major stumbling block to improved relations with Bangkok. Progress on Lao-Thai relations probably will have to await resolution of the impasse between Hanoi and Bangkok.

*FOR THE PRESIDENT ONLY*

*Top Secret*

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# The President's Daily Brief

October 30, 1975

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~~Top Secret~~ 25X1

Exempt from general  
declassification schedule of E.O. 14176  
exemption category 5B(1),(2),(3)  
declassified only on approval of  
the Director of Central Intelligence

*FOR THE PRESIDENT ONLY*

October 30, 1975

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Syria: [redacted] President Asad is giving consideration to not renewing the mandate for the UN observer force on the Golan Heights, but we do not believe he has made a final decision. (Page 3) 25X1  
[redacted] 25X1

France-USSR: The cool treatment that French President Giscard received during his visit to the USSR earlier this month has raised speculation in France that the "special relationship" between France and the USSR has ended. (Page 4) 25X1

Syria-Israel-Egypt: [redacted] 25X1  
[redacted]

Korea: Passage of both conflicting resolutions on Korea by the UN General Assembly's Political Committee sets the stage for some hard bargaining when the plenary session of the assembly takes up the Korea issue early next month. (Page 6)

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*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

LEBANON

*The continued inability of political leaders to negotiate an end to the fighting in Beirut has again prompted calls for President Franjiyah's resignation. He is expected to resist as long as possible.*

Franjiyah is a Maronite Christian who sympathizes with the right-wing Phalangists. Lebanese Muslims and the Palestinians believe he is reinforcing the Phalangists' reluctance to make political concessions that could end the fighting. Hard-line Phalangists, however, are exasperated with his reluctance to take more forceful steps to end the fighting. Moderate Christians are increasingly moving toward the view that Franjiyah's departure would be an acceptable price to pay for peace.

[redacted] Christian  
peace negotiators have shown a qualified willingness to accept general Palestinian proposals but have been reluctant to discuss specific concessions. Fatah officials are apprehensive that the Christians may only be stalling and say they have received word of US efforts to convince the Christians to be flexible. The Fatah officials believe the Phalangists may now be inspired to compromise out of a realization that the US will not enter the battle on their side.

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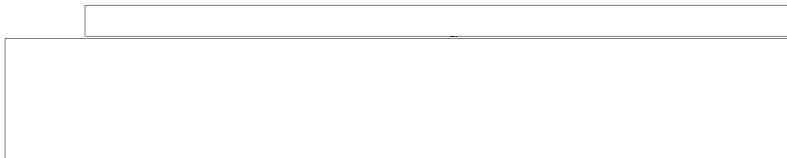
Prime Minister Karami made slow progress yesterday in his attempt to convene the new ten-man security committee that is to implement a cease-fire. Socialist Kamal Jumblatt, apparently responding to urgings by Palestinian leader Yasir Arafat, grudgingly agreed to participate, but reiterated his doubts that the group would accomplish anything. Neither Phalangist leader Jumayyil nor Interior Minister Shamun, the two most powerful Christians on the committee, has yet reported to Karami's office, although Jumayyil has said he will endorse any decisions reached by the group and will join in its deliberations as soon as security conditions permit.

(continued)

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

The Prime Minister apparently plans to assemble the security committee, then ask religious and Palestinian leaders to join it in a "summit conference" that could hammer out a political solution. Karami has believed in the need for such a meeting since his appointment as prime minister in early July.



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Still another cease-fire was announced late Tuesday night, but had no effect. Heavy fighting continued in all areas of Beirut yesterday. Lebanese leftists and the Palestinians still have been unable to rout Phalangist snipers out of three hotels in the western section of the city.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

SYRIA

[redacted] President Asad  
is giving serious consideration to not renewing the mandate for the UN observer force on the Golan Heights. He is also weighing the possibility of a limited "war of attrition." We believe Asad has not yet made a final decision on these options and that he clearly wants to create uncertainty about his intentions.

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[redacted] Asad [redacted] not renew the mandate but will allow the UN forces to remain in place at least temporarily. [redacted]

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[redacted] Asad believes he cannot obtain a satisfactory disengagement agreement at present, nor can he risk opening hostilities against Israel. Therefore, [redacted]

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[redacted] he would hope that his refusal to renew the mandate would raise tensions and force the US to pressure Israel into agreeing to disengagement terms acceptable to Damascus.

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[redacted] Asad [redacted]  
has not yet made up his mind about the mandate and is leaning toward renewing it. [redacted]

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[redacted] Asad [redacted]  
thought renewing the mandate would be a good idea, provided some political gesture, such as a new UN resolution, accompanied it.

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[redacted] Asad may have intended that his suggestion for a new UN resolution should reach US officials.

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[redacted] 25X1

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

FRANCE-USSR

*The cool treatment that President Giscard received during his visit to the USSR earlier this month has raised speculation in France that the "special relationship" between France and the USSR--nurtured by De Gaulle--has ended. The French-Soviet relationship has always had a strong element of mythology and opportunism, and Paris has not been under any illusions about its importance to Moscow once the Germans reconciled themselves to partition and de-tente was under way with the US.*

The Soviet rebuff of the French President in Moscow probably resulted largely from Giscard's exaggerated expectations of what he could expect on implementation of the humanitarian issues agreed upon at the Conference on Security and Cooperation in Europe. The French were in the forefront of those who had pushed for Soviet commitments at CSCE, and Giscard reportedly felt a responsibility--and opportunity--as the first Western head of state to visit Moscow after Helsinki to gain a broad bilateral implementation agreement.

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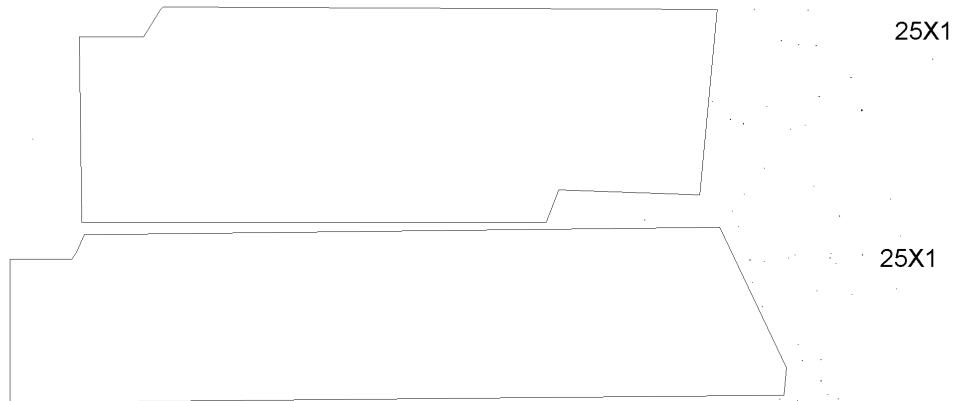
A senior French official in Moscow has said that vigorous French Communist Party pressure also was partially responsible for the treatment accorded Giscard. Knowledgeable sources in Paris have told our embassy that the French Communists shared with the Soviets an interest in putting a damper on Giscard's visit.

The results of the visit are unlikely to have a lasting effect on French domestic politics. The trip was initially interpreted by some French newspapers and political leaders as personally damaging to Giscard. An opinion poll taken after his return, however, showed 60 percent of the people supported his tactics in Moscow.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

SYRIA-ISRAEL-EGYPT



*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

KOREA

*The passage last night of both conflicting resolutions on Korea by the UN General Assembly's Political Committee sets the stage for some hard bargaining when the plenary session of the assembly takes up the Korea issue early next month.*

The pro-Seoul resolution--emphasizing the need to maintain the Korean Armistice Agreement and Seoul's right to participate in future security arrangements--passed by a vote of 59 to 51, with 29 abstentions.

The pro-Pyongyang draft--featuring a call for the unconditional dissolution of the UN command and the withdrawal of all "foreign" forces--passed 51 to 38, with 50 abstentions.

The vote reflected Pyongyang's growing diplomatic support in Southeast Asia and among the non-aligned countries. Australia, the Philippines, Turkey, and Greece were among the countries that shifted from votes against the pro-Pyongyang draft last year to abstentions.

There will be strong pressures at the plenary for a compromise. The North Koreans, having for the first time won a UN endorsement of their views--however ambiguous--will strongly resist abandoning their major positions. The only viable formula may be one that leaves the major Korean security issues unsettled for yet another year.

*FOR THE PRESIDENT ONLY*

*FOR THE PRESIDENT ONLY*

NOTE

*Two Bangladesh army officers, who were key organizers of the coup last August, have approached the US embassy in Dacca twice in the last ten days with informal requests for military assistance.*

The two officers said that aid is needed to thwart what they assert are efforts by India, with Soviet backing, to undermine the government of President Mushtaque. Among other things, they allege that India is giving aid and sanctuary to a group of armed guerrillas led by a die-hard supporter of former president Mujib. [redacted]

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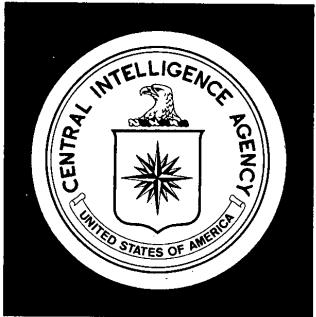
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[redacted] It is unclear whether the officers were speaking for or with the knowledge of Mushtaque, but they are almost certainly reflecting the fears of Indian intentions held by Mushtaque and other Bengalee leaders.

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*Top Secret*



# The President's Daily Brief

*October 31, 1975*

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~~Top Secret~~

25X1

Exempt from general  
declassification schedule of E.O. 14176  
exemption category, 5B(1),(2),(3)  
declassified only on approval of  
the Director of Central Intelligence

October 31, 1975

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Angola: The National Union for the Total Independence of Angola and the National Front for the Liberation of Angola reportedly are preparing to form a provisional government that would unilaterally declare Angola independent.  
(Page 4)

Egypt: President Sadat and other Egyptian officials are ambivalent about their position in the Arab world as a result of the second Sinai disengagement agreement. The views of the other Arab states are not clear-cut. (Page 6)

USSR-Egypt: Soviet-Egyptian relations have reached their lowest point since the 1952 Egyptian revolution  
[redacted] (Page 9) 25X1

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[redacted] China; Spain (Pages 10, 11, 12, and 13) 25X1

25X1

FOR THE PRESIDENT ONLY

LEBANON

*Fighting diminished in all sections of Beirut yesterday following an early-morning announcement of yet another cease-fire. Prime Minister Karami has threatened that he will resign if this agreement is not respected.*

Karami won approval of the accord at a meeting on October 29 of Lebanese leftist and Muslim politicians and representatives of the Palestine Liberation Organization, the Lebanese internal security force, and the Lebanese army. Leaders of the large Christian political parties did not attend but had offered assurances that they would respect a new cease-fire.

Prior to the cease-fire, the Christian militias were gradually being driven from their forward positions in central Beirut and the city's Western hotel district. These setbacks resulted from the continued strengthening of leftist forces with increased numbers of commandos from the large fedayeen organizations.

Christian elements are said to have withdrawn and allowed internal security force units to replace them in one major hotel, and were negotiating a similar withdrawal from two others. Leftist forces reportedly also withdrew some distance, but they were in a stronger position than before the clashes spread into the area last weekend. The Phalangists now may be willing to engage in more serious political negotiations. At a minimum, a round of private talks would allow time for the Phalangist militia to regroup and obtain additional arms and ammunition.

The terms of the latest cease-fire are much like those of several previous accords, but they include a threat that the government radio will for the first time publicize the identity of persons or groups responsible for cease-fire violations. Although this tactic ordinarily would not intimidate the offending parties, they may in this case be sensitive to the fact that Karami has identified himself with this novel scheme.

(continued)

FOR THE PRESIDENT ONLY

Karami almost certainly does not want to resign. He presumably put his job on the line to demonstrate that he has run out of ideas for solving the present crisis, but in the expectation that he would be urged to stay on. In fact, Syrian Foreign Minister Khaddam, Socialist leader Kamal Jumblatt, and PLO chairman Yasir Arafat immediately appealed to Karami to remain in office.

Arafat reportedly played a central role in negotiating the new cease-fire, and Fatah units were immediately instructed to adhere strictly to the terms of the accord. Violations of the agreement by Lebanese radicals and fedayeen rejectionists could be interpreted by Arafat as a slap at him, and might ultimately lead to more forceful efforts by the major Palestinian groups to control the rejectionists.

PORUGAL

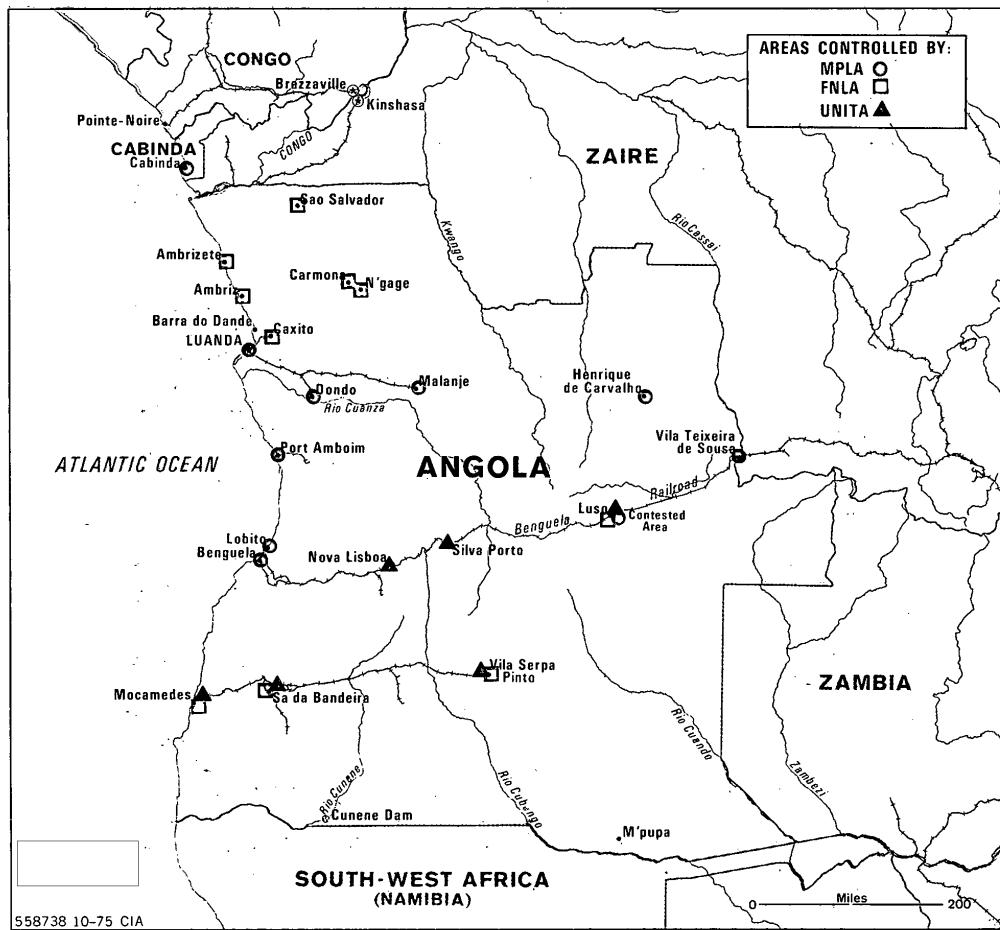
*The government, which has had some success in recent days combating military indisipline, was presented with a new challenge yesterday when Lisbon's main arsenal was seized by troops charged with its security.*

The rebels issued a statement saying they had too few men to guarantee the security of the arsenal. Their action probably is related to wider concerns expressed by leftist military elements over the demobilization of the army. Eighteen percent of the army will be discharged today, and another 9 percent are scheduled for demobilization on December 2. The left has protested that these reductions are designed to transform the army into a reactionary corps.

Leftist military groups have been losing momentum recently, and efforts to keep pro-government military regional authorities under pressure have been somewhat less than successful. Two rallies this week sponsored by radical military elements were poorly attended and generally unimpressive. In contrast to the waning leftist fortunes, anti-Communists in the military appear to be organizing themselves more effectively. Officers sympathetic to the anti-Communist faction of Foreign Minister Antunes have formed a "Single Military Front" to combat radical attempts to bring down the Azevedo government.

The left also is losing ground on the civilian front. Dissident employees of a Communist-influenced Lisbon newspaper occupied the paper's editorial offices on Wednesday and demanded the removal of the left-wing management. Earlier this week the anti-Communist employees won by a 4-to-1 margin a vote to dismiss the pro-Communist management committee.

The Azevedo government is unlikely to move against the anti-Communist workers, since their action is consistent with its recent efforts to loosen the Communist grip on the press. The Prime Minister might even use the incident as an excuse to revamp the management of other left-leaning newspapers. He is particularly anxious to bring the left-wing press under control, since it is largely responsible for stirring up political tensions in Lisbon and spreading reports of alleged plots to return the country to right-wing rule.



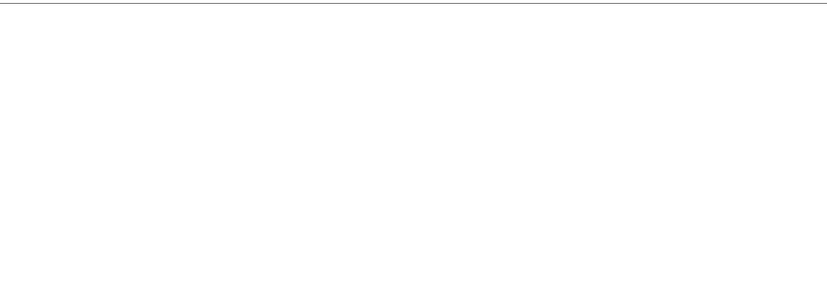
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ANGOLA

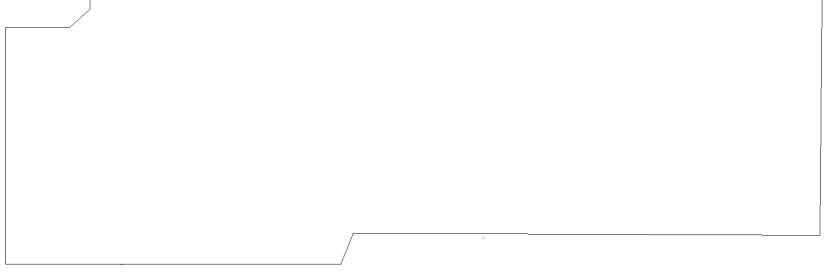
*The National Union for the Total Independence of Angola and the National Front for the Liberation of Angola reportedly are preparing to form a provisional government that would unilaterally declare Angola independent. The move would be aimed at countering an expected similar declaration by the Soviet-backed Popular Movement for the Liberation of Angola.*

National Union leader Jonas Savimbi told US officials in London this week that he expects the Popular Movement to claim sole sovereignty on November 11. Savimbi indicated that his group and the National Front intend to declare their own government and to continue fighting the Popular Movement while seeking international recognition. Savimbi professed to believe that such a government could win a reasonable amount of international support. Its formation would also provide an excuse for countries to remain neutral if they did not want to recognize a Popular Movement government.

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All three liberation groups have unequivocally rejected a pre-independence coalition. Between now and independence the National Front and the National Union intend to mount major offensives designed to discredit the Popular Movement's claims to control all important areas of Angola.

Cooperation between the National Front and the National Union would be, at best, tenuous. Relations in the field between troops of the two movements are frequently strained, and if these differences were allowed to worsen it could seriously impede operations against the Popular Movement. The National Union's secretary for foreign affairs has reservations about the National Union's future relations with the National Front, and these reservations undoubtedly are shared by Savimbi. Furthermore, the National Union continues to believe an ultimate political settlement must include all three liberation groups, since no single group or combination of two of them can expect to govern successfully a country as sharply divided tribally as is Angola.

## EGYPT

President Sadat and other Egyptian officials are ambivalent about their position in the Arab world as a result of the second Sinai disengagement agreement. At times, they exhibit confidence that Egypt retains the support of most Arab states despite Syria's vitriolic criticism; on other occasions they show deep concern that the agreement has undermined Egypt's position of leadership and that as long as Syria and the Palestinians remain unsatisfied by negotiations, the Arab mainstream will not look toward Egypt for moral and political guidance. In fact, views of the other Arab states are not clear-cut.

The Egyptians have not been hurt materially; no Arab state has cut off critically needed aid as a result of the disengagement. Only Syria, Iraq, and the Palestinians have officially denounced the agreement in public. None of the Arab states, with the exception of Syria, wants to risk burning its bridges with Egypt at this point.

On the other hand, few of the Arab states have supported Egypt with public statements. Sudan alone has repeatedly given open backing to Sadat and to the agreement. Saudi Arabia and Morocco initially praised the agreement, but since early September the silence from Riyadh and Rabat has been deafening. No Arab government has officially stood up to defend Egypt against the charges of treason that daily emanate from Syria, and none has seen fit to censor the anti-Egyptian criticism that is now the standard fare of virtually every Arab country's press.

The reaction among the Arabs is almost a reflex. None of them, no matter what their basic sympathies, wants to be seen condoning Egypt's compromises with Israel at a time when Syria and the Palestinians label accommodation treasonous. The impression left is of a subtle but steady erosion of Egypt's moral leadership. So far, this erosion has had no tangible effect, but it is gradually undermining Egypt's ability to exert a moderating influence on the Arabs.

(continued)

Saudi Arabia's position is typical. The Saudis understand Sadat's reasons for seeking the second Sinai agreement, and they continue to support him both materially and, in a quiet way, politically. They have given no indication that they intend to cut off their material support, which is critical for Egypt. Indeed, Saudi officials have recently urged the US to get on with arms deliveries to Egypt, for which Saudi Arabia would foot the bill. The Saudis are, nonetheless, caught in a political dilemma as a result of the Sinai agreement that could at some point weaken their will to continue material or moral backing for Egypt.

The Saudis are now skeptical, despite their sympathy for Sadat, that Egypt any longer intends to be part of the Arab struggle. Riyadh would be reluctant to continue supporting Egypt if this meant risking its own relatively new identification with the Arab cause. If the Saudis come to believe that Egypt has abandoned the cause through the Sinai agreement, and particularly if they become a target of Arab propaganda attacks along with Egypt, they will place their bets where their status as Arabs in good standing will be safe--with Syria and the Palestinians.

Jordan similarly is caught in the middle. The Jordanians worry about the possible implications of Egypt's isolation from the Arab world, and they, perhaps better than any other Arabs, appreciate Egypt's moderation and its desire to end the Arab-Israeli conflict. Jordan and Saudi Arabia are the only Arabs who have attempted to mediate between Egypt and Syria. But by its rapprochement with Syria earlier this year, Jordan had already cast its lot with Damascus, and its efforts to mediate have been half-hearted at best. The Jordanians have allowed their press to denounce Egypt and the Sinai agreement, and Prime Minister Rifai has permitted himself to be associated with Syrian statements criticizing the accord. Although Jordan has thus far avoided direct official criticism, King Husayn recently went on record in an American magazine interview

[redacted] with a statement expressing reservations about the wisdom of Sadat's acceptance of the disengagement.

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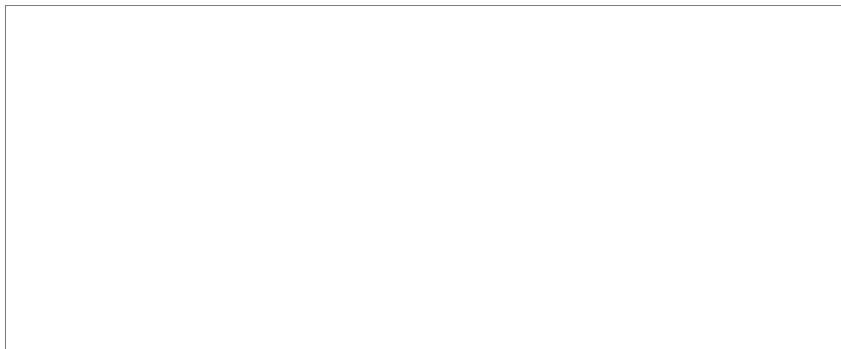
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Of the other key Arab states, Algeria and the oil producers on the Persian Gulf also have adopted ambivalent positions. Because all are on the periphery of the Arab-Israeli dispute, none of these states has a direct interest in how negotiations are conducted, whether by the step-by-step method or through a multilateral approach. The principal interest of all these states, but particularly of Algeria and Kuwait, lies in ensuring that the Palestinians receive full satisfaction. None of them is prepared to denounce Egypt or the disengagement or to sever aid relationships with Egypt while Syria and the Palestinians retain hope of obtaining something from negotiations themselves. But, like the Saudis, these states are increasingly doubtful that Egypt remains dedicated to the Arab--particularly the Palestinian--cause, and are therefore increasingly doubtful that negotiations will be successful on other fronts. They will not speak out in defense of Egypt while the Syrians and the Palestinians remain unsatisfied.

USSR-EGYPT

*Soviet-Egyptian relations have  
reached their lowest point since the  
1952 Egyptian revolution*

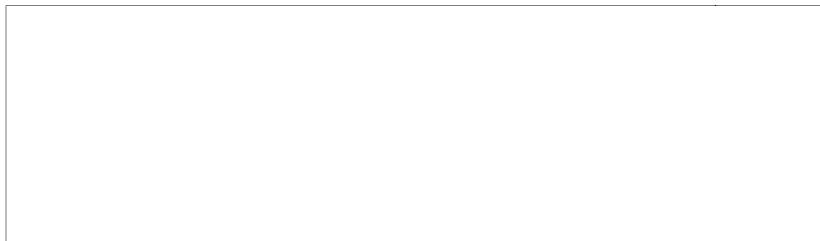
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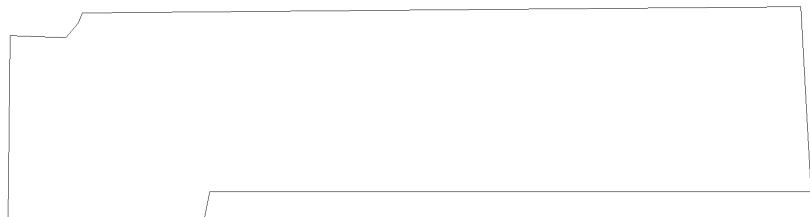
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Moscow has demonstrated continuing nervousness over the future of the treaty. Pravda, in a scathing denunciation of Egyptian policies and Sinai II on the eve of President Sadat's arrival in the US this week, went to great lengths in alleging that it was Sadat himself who had called for the 1971 accord.

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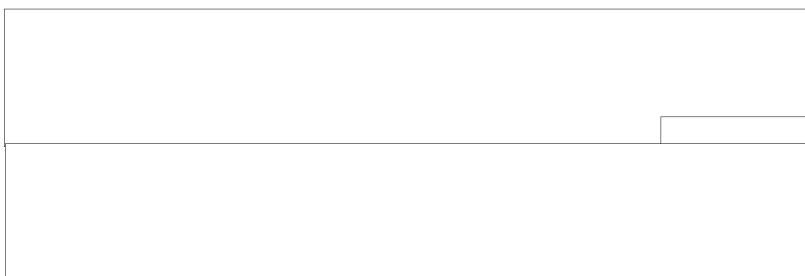
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NOTES

Syrian forces on the Golan Heights apparently remain on a high state of alert.

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Japan wants to sign a formal grain pact with the US to supersede the letter of intent signed last August which provided for the sale of at least 14 million tons of grain a year for three years.

Tokyo did not press for a more formal pact last August, but agriculture officials now feel a formal grain agreement will make it easier to win Japanese farmers' support for concessions at the multilateral trade negotiations. Japanese officialdom has uniformly applauded the US-Soviet grain agreement as contributing to the stabilization of the international grain market. They also are pleased with the escape clause, which assures that in poor crop years the US will honor its export commitments to Japan while cutting back exports to the USSR. The signing of the US-Soviet grain agreement has intensified interest in a binding US-Japan contract.

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*Two days of talks on Spanish Sahara among Spanish, Moroccan, and Mauritanian officials were suspended yesterday without any sign of progress toward a settlement.*

Moroccan Foreign Minister Laraki reaffirmed Morocco's opposition to the inclusion of Algeria in the talks. The Algerian delegation, led by one of President Boumediene's closest advisers, has been holding parallel talks with Spanish officials and was still in Madrid when the Moroccan delegation left for home. The Algerians presumably are reiterating their position that the principle of self-determination for Spanish Sahara must not be ignored. Foreign Minister Bouteflika apparently is making similar demarches to UN Secretary General Waldheim in New York. Saharans would almost certainly opt for independence in any fair referendum.

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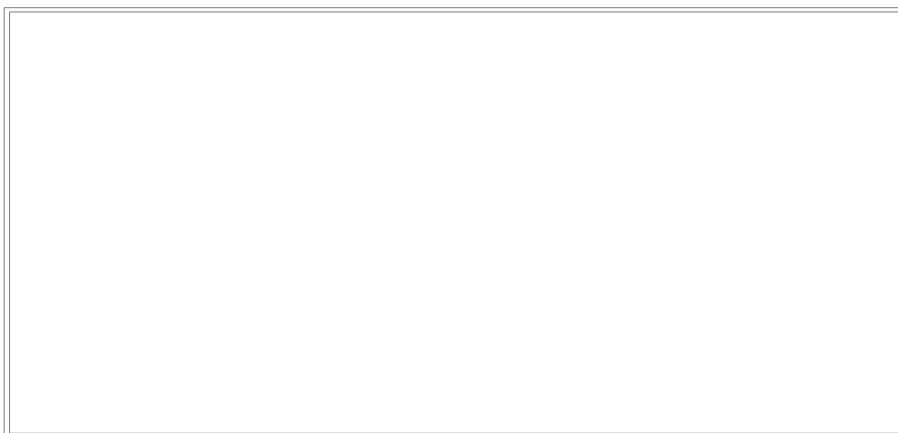
*Bangladesh President Mushtaque has joined other government figures in expressing deep concern to US officials in Dacca about Indian intentions toward his country.*

In a conversation on October 29 with Deputy Assistant Secretary Dubs and Ambassador Boster, Mushtaque accused India of recently increasing the number of troops on the Bangladesh border, stirring up trouble at Dacca University and elsewhere, and aiding a band of antigovernment guerrillas led by a supporter of former president Mujib. The President said he is presently able to manage these situations but is worried about what India may do in the future.

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*China has decided to transfer some provincial party chiefs to new provinces.*

Thus far, we have information on only one three-way shuffle, but according to some Chinese officials, more transfers are in the offing as an effort to prevent the provincial leaders from developing independent power bases. A widespread rotation of provincial party leaders, most of whom are civilians, also could be intended as a sop to the military. Several military men at the regional and district level have been relocated to remove them from their power bases. The transfer probably was not popular with some military men, but they may be placated somewhat by seeing similar rotations among their civilian counterparts.

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Spain's need for an active head of state, plus the near certainty Franco will not recover, apparently convinced Prince Juan Carlos yesterday to become temporary chief of state.

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The problem has grown more acute because of differences within the government over policy toward Spanish Sahara. Juan Carlos probably consented with a tacit understanding that his rule will be temporary in name only, thereby preserving his image and the future of the monarchy. He is expected to preside over a cabinet meeting today.

*Top Secret*