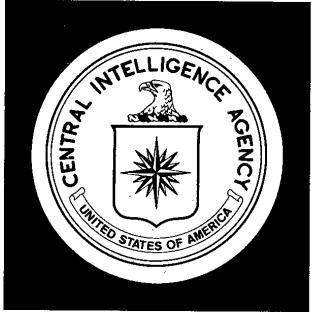


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The President's Daily Brief

September 1, 1975

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

FOR THE PRESIDENT ONLY

September 1, 1975

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At Annex we present an assessment of the Seventh Special Session of the UN General Assembly which begins today.

FOR THE PRESIDENT ONLY

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PORtUGAL

The anti-Communists appear unsure of their next move after initial expressions of opposition to the appointment of Vasco Goncalves as Armed Forces Chief of Staff and his replacement as prime minister by Admiral Azevedo.

Supporters of the anti-Goncalves group in the military, led by Melo Antunes, reportedly are considering several options in the hope that they still might avoid a military confrontation. A member of the Antunes group told our embassy that there are four possibilities:

--Put pressure on President Costa Gomes to remove Goncalves by having military units refuse to recognize the new chief of staff.

--Work for the restructuring of the armed forces general assembly to make it more representative.

--Organize a classic military coup in Lisbon with the support of the internal security forces led by General Otelo de Carvalho.

--Organize military-civilian forces, initially in the north, and gradually isolate Lisbon.

So far, the Antunes group appears to be pursuing the first option. General Carvalho has placed his internal security command under the direct authority of the president, removing it from any threat of control by Goncalves. The move by most of the units in the northern military region to place themselves under the command of the central military region was in reaction to the reinstatement of the pro-Communist northern commander, but it is an anti-Goncalves move as well. [redacted]

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Army units in the Azores and Madeira Islands have declared their opposition to the changes in Lisbon. This action may be tied directly to Antunes' efforts, but if the situation remains unresolved, or Goncalves begins to assert his control, the dissatisfaction of these units could become support for the independence movements now operating more openly in the islands.

Despite these gathering signs of opposition to Goncalves' appointment as chief of staff, the pro-Communist leader retains enough support to make it difficult to dislodge him. The navy, in which Admiral Rosa Coutinho is expected to take over the chief of staff slot vacated by Admiral Azevedo, probably would support Goncalves in any showdown. Goncalves also retains the loyalty of some army units in the Lisbon area and probably in the southern military region. The air force is divided to the extent that it may not be a factor on either side.

President Costa Gomez appears to have calculated that his shuffling of the top military and governmental positions would defuse the political crisis by undercutting the Antunes faction. This gamble was based, at least in part, on the hope that Mario Soares' Socialist Party, which focused its campaign on the removal of Goncalves as prime minister, would join the Azevedo government.

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Meanwhile, the Communist Party has announced its support for the change and various spokesmen, including Goncalves, have indicated that when the cabinet is announced, there may be only a few changes from the former government.

FOR THE PRESIDENT ONLY

PERU

The change in the government apparently has been accepted by the people, and there has been no reported opposition. As time passes, the possibility of a reaction becomes more remote.

President Morales Bermudez has stated clearly that he is loyal to the principles of the Peruvian revolution. This declaration and the fact that he is by nature a cautious person suggest that he will not change the course of Peruvian politics in the near future. Moreover, his ability to act independently will be limited by the more radical generals who remain on active duty and continue to influence policy. His conduct of governmental affairs will reflect the more prudent and orderly personal characteristics that he brings to the Peruvian presidency.

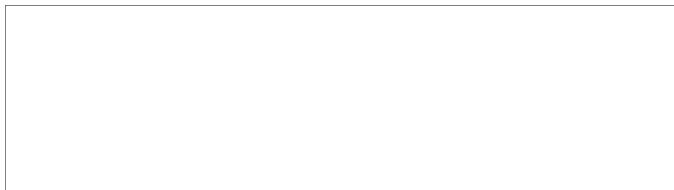
The initial reaction by the Chileans in that the change will improve relations between the two countries. Most Chilean officers, who have dealt with Morales Bermudez in recent months, believe him to be less extreme than former president Velasco and not prone to impetuous actions.

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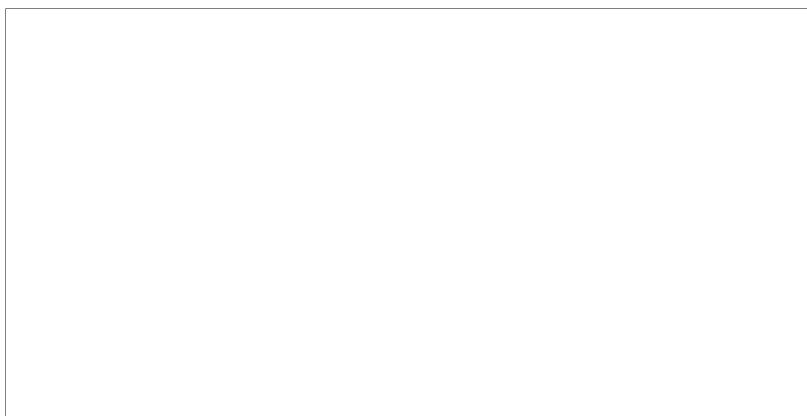
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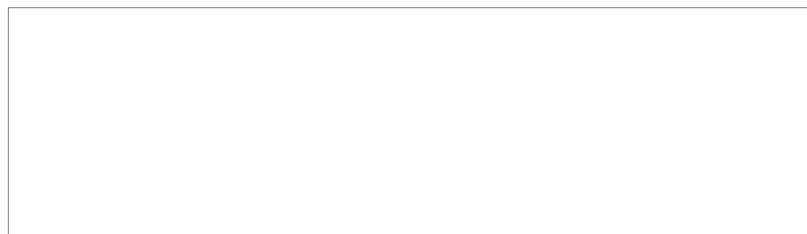
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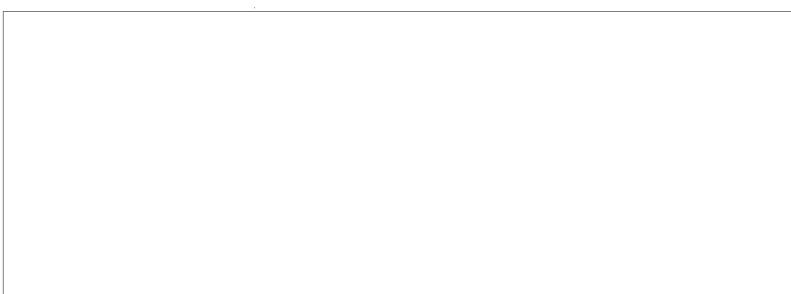
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NOTE

We have received reports this morning that a coup attempt is in progress in Ecuador.

Troops and tanks under the command of army chief of staff, General Raul Gonzalez Alvear, have surrounded the presidential palace in Quito and are demanding President Rodriguez' resignation. Rodriguez reportedly is fighting back, however, and he is said to retain the support of the air force and has some paratroopers with him. Heavy fighting reportedly has occurred near the palace, but the number of casualties is unknown. There have been reports in recent weeks of increasing dissatisfaction with the Rodriguez government's failure to cope with the country's economic problems. A communiqué released by the rebels said that Rodriguez had committed several political, economic, and social errors, and added that he did not have the support of the armed forces or the people.

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UNITED NATIONS: SPECIAL SESSION

The Seventh Special Session of the UN General Assembly on development and international economic cooperation opens in New York today. The two-week meeting offers developed and developing states the opportunity to reverse a trend toward confrontation over economic issues that has emerged over the last several years. The chances for success are not completely bleak. Success means avoiding a major fight and setting a basis for agreements on at least some contentious issues at later, more restricted forums.

These later gatherings would include:

--A meeting of oil producers, consumers, and developing countries to discuss energy, raw materials, and development which will test the alliance between the oil producers and the developing countries.

--The Multilateral Trade Negotiations at which frustrated developing states might seek to obstruct progress; and the Fourth UN Conference on Trade and Development in Nairobi next May which the developing states see as the near culmination of their efforts to acquire a transfer of wealth from the industrialized world.

The tone of the Special Session will depend in large part on the decisions emerging from the meeting of nonaligned foreign ministers in Lima last week. There were more than 80 full members of the nonaligned group in attendance, and observers from some 20 other states and organizations were at the conference. One of the aims of the meeting was to settle on a position for the developing countries to take at the Special Session.

For the most part the nonaligned meeting did not concentrate on economic issues, and it apparently did not harden the developing countries' position. Most of the ministers may have felt their

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viewpoint already was well defined, and their attention was concentrated on political issues. Foremost among these was the divisive problem of how to treat Arab demands for a resolution endorsing Israel's removal from the UN. On Friday, a coalition of African and Latin American states succeeded in passing a resolution condemning Israel which fell short of demanding ouster. The coup that took place in Peru on Friday disconcerted many of the delegates, but its only real effect on the conference was a one-day delay in signing the final documents. The new Peruvian leader, General Morales Bermudez, addressed the conference on its final day.

Another factor likely to determine the approach of the Special Session will be the reaction of the developing countries to the major US policy statement addressing the demands of the third world that they expect from us at the session.

Developing Countries

Under the leadership of Algeria, the more extreme nonaligned states among the developing nations have increasingly dominated the formulation of the entire group's position on economic issues. The nonaligned movement is smaller than the Group of 77--the formal caucus of developing states in the UN, which in fact includes over 100 states. The extremists believe that in order to change the international economic system, the developing states must use all the political and economic muscle they have, including the organization of cartels along the lines of the OPEC model, and the use of steamroller tactics in the UN. The more conservative developing states--probably a majority--disagree with Algerian tactics, not the goal. Their position was summed up by a government-controlled newspaper in Ivory Coast, a state generally considered more willing to compromise than Algeria: "...the alternative is not between the status quo and economic justice, but between peaceful and violent means to economic justice."

Algeria has tried to capitalize on its role as a broker between the oil exporters and the developing countries to enhance its status as spokesman. Algeria has failed, however, to gain substantial

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economic concessions for the developing countries from the OPEC members. Awareness of this failure may eventually weaken Algeria's strength as a vociferous advocate of sweeping economic change.

Algeria, nevertheless, remains the developing power to be reckoned with at the Special Session, by both the developed and developing states. It played the principal role in preparing a position paper which may become the session's final document should the developing states decide to use steamroller tactics.

The paper demands:

--On international trade: the regulation of raw materials and commodity markets by establishing international stockpiles and agreements to fix prices; improved facilities for compensating developing countries for losses of revenue due to falling prices for exports; the linking of prices for raw material exports with those of manufactured imports.

--On transfer of resources: increased and automatic aid flows with the target of 0.7 percent of the donor countries' gross national product. Developed countries should also help ease the debt burden of developing countries and invest financial resources in them.

--On monetary reform: the phasing out of national reserve currencies and their replacement with an international currency such as Special Drawing Rights. The paper calls for increasing the representation of the developing countries in the International Monetary Fund and the World Bank.

--On science and technology: adoption of measures by developed countries to give developing countries the full benefit of technological advances made in the industrial countries. The ultimate goal is a legally binding code of conduct on the transfer of technology.

--On food and agriculture: increased assistance to boost food production in the poor countries. The developing states also are pushing

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proposals discussed at last year's World Food Conference, such as a minimum aid target of 10 million tons of food grains annually. They support the establishment of a system of international food grain reserves and an international fund for agricultural development.

--On organizational reform: the developing countries want to restructure the UN. They do not necessarily care to follow the lead of an experts' committee which offered a proposal for reorganizing the UN's economic functions earlier this year. The developing countries would like the UN system to become more responsive to their development demands and less an institution seeking to guarantee world security.

Industrial Countries

The main goal of the industrialized states--essentially the 24 members of the Organization for Economic Cooperation and Development--will be to find a way at the Special Session to avoid a fight with the developing states. They recognize the impact of a breakdown of the Special Session on relations between rich and poor states--in and out of the UN system--but are also mindful that the meeting is not an end in itself.

For the developed states, the search for compromise will focus on raw materials issues, where most industrialized states feel they can come closest to satisfying developing country demands at the least immediate financial cost. The demands of the developing countries for special financial aid, transfer of technology, and increased investment together with reduced industrial country control over those investments will be harder for most OECD countries to accept.

Guaranteed access to supplies may be less important a factor in the thinking of the developed states than it was at the previous Special Session in April 1974. At that time commodity prices were near historic highs, and the recent success of the OPEC cartel in forcing oil price increases was viewed by developed and developing alike as readily translatable to other raw materials.

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Since that time commodity prices have fallen sharply--they have recovered somewhat lately--and many states, both developed and developing, have come to realize that the industrialized states are equally important suppliers of raw materials, that all industrial states are not import-dependent, and that not all developing states are exporters of raw materials.

The industrialized states are not of one mind on development of raw materials policies. Nor have they all prepared for the Special Session to the same degree. Most agree on one point--which is also shared by most developing states--that it is up to the US to take the initiative. The Europeans and Japanese feel the US has consistently maintained the hardest line against the demands of the developing countries, and they have only reluctantly backed the US on economic issues in UN meetings. None, in fact, voted with the US at the meeting in Lima last April of the UN Industrial Development Organization. Nevertheless, some of the EC countries now appear worried that the US positions to be announced at the Special Session may be too "advanced" and will cause them embarrassment.

The EC Council agreed in late July to guidelines for a policy that would allow the community to "examine" individual commodity issues and to endorse a proposal to extend to all developing states, through the IMF, the EC's own plan for helping to stabilize the earnings of developing countries from exports of certain raw materials.

The OECD states agreed at a ministerial meeting last May to establish high-level groups to examine raw materials policies and overall relations with developing states. These groups, however, have done little to prepare for the Special Session, having focused instead on the long term. This means that the industrialized states will have to rely on ad hoc consultations during the session to coordinate policy.

Tokyo is especially sensitive to the problem of maintaining access to raw materials. Nevertheless, the thrust of Japanese policy has been to sympathize--and when possible to give the appearance

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of being more forthcoming than other industrialized nations--while avoiding costly concessions. Such attitudes have become transparent to most developing states and have only been successful in strengthening the arguments of those who argue that deliberate confrontation may be the only promising stance to take toward the industrialized world.

The Soviets and East Europeans--with the exception of Romania and Yugoslavia--will maintain a low profile at the Seventh Special Session, as they have at previous meetings dealing with these issues. They will express solidarity with the developing states but will also be careful to avoid costly economic commitments. The Chinese will support the developing countries' positions, but they will not assume a leadership position. Peking also certainly will use the session to continue its attacks on the Soviets.

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The President's Daily Brief

September 2, 1975

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

FOR THE PRESIDENT ONLY

September 2, 1975

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

MIDDLE EAST

Early approval of the second Egyptian-Israeli interim agreement by the Knesset seems assured. Israeli opinion polls show increased popular support for the accord.

Spokesmen for the government are arguing that the agreement does not jeopardize Israel's vital security interests, but sets the stage for further negotiations toward a comprehensive peace agreement. Supporters of the accord portray maintenance of the close Israeli-US relationship as a major achievement of the pact and acknowledge that Israel has no practical alternative to accepting it.

In Egypt, government spokesmen are attempting to minimize the concessions made by Cairo. They are describing the agreement as part of a general move toward progress in negotiations on all fronts, including the restoration of the rights of the Palestinians. President Sadat, according to the Cairo press, will soon address a joint session of Egypt's political party and parliament on the subject of the new agreement.

The Syrian press over the weekend stepped up its criticism of the accord. The semi-official newspaper *Al-Thawrah* on Saturday attacked the agreement as a "partial settlement that serves only Israeli ambitions and American interests." Damascus radio asserted that the agreement will lead, not to genuine peace, but to greater Israeli intransigence. Syrian Foreign Minister Khaddam had made the same point to newsmen last week in Lima.

Syrian criticism has spared Egypt except by implication. This almost certainly reflects President Asad's desire to avoid disrupting his relations with Cairo and at least his minimal confidence that a new round of negotiations between Syria and Israel can be arranged.

Syria's attacks on the agreement do not match the severity or frequency of those last spring; they are probably designed chiefly to head off potential unrest at home. Contacts between the [redacted]

[redacted] point to matter-of-fact acceptance of, rather than opposition to, the Egyptian-Israeli accord.

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Leaders of the Palestine Liberation Organization have intensified their criticism of the agreement. Chagrined at their inability to make gains or even become involved in negotiations, they are moving to protect themselves against attacks by their radical colleagues. In interviews with newsmen, PLO Chairman Arafat has promised to regain Palestinian lands through force, threatened that the Palestinians will attack Israeli interests "anywhere in the world," called for an Arab summit to devise a strategy for countering the new "American initiative," and asserted that the PLO will persevere in its campaign to expel Israel from the UN.

Although fedayeen from Lebanon have stepped up their cross-border attacks on Israel--there were two over the past weekend--most of what Arafat said was designed only for internal fedayeen consumption. He withheld his strongest criticism until the agreement was virtually complete and avoided direct attacks on Egypt.

FOR THE PRESIDENT ONLY

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CHINA

After a period of relative calm, factionalism within the Chinese leadership appears to be resurfacing. Yesterday's People's Daily carried a major article that seems to be a thinly disguised attack on Teng Hsiao-ping, China's senior vice premier who also holds important military and party posts and who is currently in charge of day-to-day activities within China.

The attack is contained in a criticism of a famous Ming-dynasty novel which has long been known to be a favorite of Chairman Mao. A similar article also appeared in the latest issue of the theoretical journal *Red Flag*; both have been widely disseminated by the Chinese news agency. A list of contents of the new issue of *Red Flag*, also distributed by the news agency, indicates that the latest issue contains further articles on the same subject, but these are not yet available.

Both articles are highly critical of the role and character of a leading figure in the novel, who is clearly a surrogate for Teng. The central issue raised appears to be the rehabilitation of veteran cadres disgraced during the Cultural Revolution--a policy which has generally been pursued by Peking since the early 1970s.

Teng Hsiao-ping is not only an advocate of this policy but also its most important beneficiary. As secretary general of the party he was disgraced early in the Cultural Revolution. He was rehabilitated in the spring of 1973, reappointed to the Politburo in December of that year, and made a member of the Politburo Standing Committee last January.

The rehabilitation issue has long been a bone of contention between the "left" and "right" wings of the Chinese party, involving as it does the larger question of the efficacy and legitimacy of the Cultural Revolution, which has been at the heart of Chinese domestic politics for a decade. The articles define rehabilitation as accepting "royal amnesty" while planning ultimately to betray the revolution.

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The phrase "royal amnesty" raises the question of Mao's status and his role in the present controversy. For two years, Chinese polemics, arguing by historical analogy, have treated the emperor-figure as a surrogate for Mao; the Chairman has, moreover, clearly associated himself with Teng's rehabilitation. In a passage that seems to bear directly on this issue, *People's Daily* comments: "In a feudal country, the emperor is the highest ruler, the general representative of the landlord class and the big boss of all feudal bureaucrats. The peasantry must oppose the emperor in order to oppose the reactionary rule of the landlord class. If the peasantry only opposed corrupt officials, but not the emperor, it cannot shake the rule of the landlord class," adding that the evil Teng-figure and his friends "did not oppose the emperor and were loyal to him."

This passage seems to claim that in order to preserve the revolution it may be necessary to oppose Mao himself; at the very least it appears to imply that Teng has pulled the wool over Mao's eyes by stressing his personal loyalty to the Chairman. The *Red Flag* article, however, is more ambiguous. While also criticizing the idea of "royal amnesty," it refers favorably to another character as the "founder of the revolutionary cause" chronicled in the novel.

This spate of articles--at least one more apparently was published in the Peking newspaper *Kuang Ming Daily*--appears at a moment when the central theme of Chinese propaganda has been unity and discipline and when the central authorities appear prepared to crack down on dissident activities and strikes in factories and in the transportation industry. The attack on Teng could have been instituted by his opponents because they see his current stress on unity as an indication that he is trying to consolidate his position and ensure his place in the succession before the Chairman's death.

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The implications for Mao in the current developments are ambiguous. The Chairman was almost certainly weakened to some extent by last year's divisive anti-Confucius campaign. Erratic treatment of Mao's role as "founder and commander" of the Chinese army, in the context of observing Army Day last month, suggests there is continuing controversy regarding Mao's direct control of the military. It is possible that the Chairman's running quarrel with the army has left him vulnerable to criticism from other quarters. Mao's political acumen is still considerable, however, and he retains great reservoirs of prestige among the general populace.

FOR THE PRESIDENT ONLY

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PORUGAL

NATO security officers have recommended that the alliance further restrict Portugal's access to classified information. If NATO political authorities agree, Portugal will be denied NATO-Secret documents--approximately 80 percent of NATO's classified information--and will not be able to participate in meetings of many NATO committees.

NATO officials have long been apprehensive that classified documents might be compromised by the Portuguese. With the situation in Portugal as uncertain as ever, security officials believe that stringent restrictions must be imposed on a regular basis. They and many other NATO officials are particularly concerned because of the recent appointment of the pro-Communist General Goncalves as Portuguese armed forces chief of staff.

NATO's political authorities must approve these recommendations, and they will again have in mind that actions of this type might lead to adverse political consequences in Portugal. The US mission believes, however, that most of the allies agree that further restrictive measures should be imposed, and that it may be preferable to do so now rather than later.

* * *

There were no major developments in the Portuguese political situation yesterday. The Melo Antunes group continues to try to force Vasco Goncalves out of his position of armed forces chief of staff. The Socialist and Popular Democratic parties are taking a hard line on participating in any new government, insisting on Goncalves' ouster as a prerequisite. It is still unclear when Prime Minister Admiral Azevedo intends to present his new government, although some reports say an announcement will come this week.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

NOTE

The Ecuadorean government quickly suppressed an attempt to oust President Rodriguez Lara yesterday.

Most units in the armed forces throughout the country remained loyal to the President. Forces available to Army Chief of Staff General Gonzalez, who led the attempted coup, apparently amounted to only a few tanks and several hundred supporters.

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The President's Daily Brief

September 3, 1975

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

FOR THE PRESIDENT ONLY

September 3, 1975

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Ecuador: President Rodriguez has restored calm to Quito, but dealing with the underlying causes of discontent will be a more difficult matter. (Page 3)

Note: Cuba (Page 4)

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

USSR

Analysis of activity at the Severodvinsk shipyard for the first half of 1975 suggests that the Soviets are building a new submarine, possibly equipped to fire ballistic missiles. It is also possible, however, that the construction activity there is related to the maintenance and overhaul of nuclear submarines presently in service.

Early this year, what appeared to be three pressure hull sections were photographed at Severodvinsk outside a construction hall that builds hull sections for ballistic-missile submarines. The sections were encased in box-like structures [redacted]. With the addition of an outer hull--a standard design for Soviet submarines--the new submarine could have a beam of about 43 feet, making it about 5 feet wider than other modern Soviet ballistic-missile submarines.

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Sometime between late June and July 22, the hull sections disappeared. We believe they were moved across the shipyard into a new large construction hall for submarines by means of a transporter specifically built to move the sections. If the submarine follows the pattern for the construction of ballistic-missile submarines, it probably will be ready for launching in 1978 and could enter the force by 1980.

Soviet officials have hinted for some time--usually in connection with attempts in SALT to restrict the US Trident program--that they are developing an advanced SSBN. General Secretary Brezhnev recently told a visiting group of US Senators that the USSR would not build its new submarine, called the Typhoon, if the US agreed not to build the Trident. A submarine of this size, carrying a long-range missile with MIRVs, could be considered by the Soviets to be comparable to our Trident, which will not be operational until late 1978 or 1979.

FOR THE PRESIDENT ONLY

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PORUGAL

Portuguese officers opposed to pro-Communist former prime minister Vasco Goncalves are stepping up efforts to remove him as armed forces chief of staff. Their efforts, plus parallel moves by the political parties, have led to a postponement in swearing in a new government with Admiral Azevedo as prime minister.

Army Chief of Staff Fabiao and his air force counterpart, General Morais da Silva, have publicly denounced Goncalves. Each has called on the separate assembly of his service to purge Goncalves' supporters before a scheduled meeting on Friday of the Armed Forces General Assembly.

The general assembly, which is made up of 240 officers and enlisted men and has generally followed a pro-Goncalves line, has been called into session by President Costa Gomes to revamp the Revolutionary Council. The army holds 120 seats in the assembly and the air force 60. The remaining 60 seats are controlled by the navy, which earlier endorsed Goncalves' bid to remain prime minister.

It has been widely assumed that the general assembly will be used to purge the leaders of the anti-Goncalves faction. If the army and air force succeed in packing their delegations, however, they could turn the assembly into an effective weapon against Goncalves.

Goncalves and his Communist supporters are clearly worried about the strategy of the anti-Communist Antunes group. This strategy is designed to show that Goncalves cannot control the armed forces and to use the assembly against him.

Air force chief Morais da Silva was summoned to the presidential palace to explain his refusal to support Goncalves in his new post. His refusal was also criticized by the government-controlled and Communist-influenced national radio, in what may be the opening volley of a Communist propaganda offensive.

FOR THE PRESIDENT ONLY

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ECUADOR

President Rodriguez has restored calm to Quito following Monday's abortive coup, but dealing with the underlying causes of discontent--particularly the country's economic problems--will be a more difficult matter.

The attempted coup could set back, at least temporarily, recent moves by the government to shift its policy orientation away from the left and toward the center. Rodriguez has accused "irresponsible politicians" of instigating the rebellion; this may signal a crackdown on conservative political and business groups as well as on a critical press.

Leading civilian critics of the regime already have gone into hiding, while some 80 soldiers and officers have been placed under arrest. Press reports indicate that government forces have raided the homes of some political and business leaders, and a dusk-to-dawn curfew is in effect in Quito and Guayaquil.

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NOTE

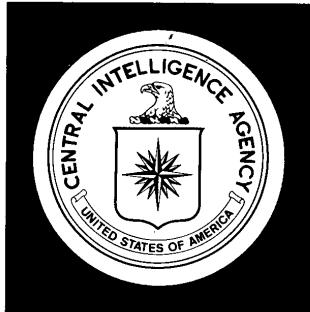
Cuba is currently engaged in a major propaganda campaign to trumpet the cause of Puerto Rican independence.

One of this drive's high points will be the so-called International Conference on Solidarity with Puerto Rican Independence to be held in Havana from September 5 to 7. The Moscow-backed World Peace Council will be the ostensible host, but Cuba has provided the impetus behind the scenes. The Puerto Rican issue lends itself particularly well to international forums such as the UN, where Cuba can beat the drums before a receptive audience of third-world representatives and thus certify its revolutionary and "anti-imperialist" credentials.

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The President's Daily Brief

September 4, 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

September 4, 1975

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Lebanon: Protests against the new Sinai pact could combine with the continuing clashes between Christians and Muslims to undermine the delicate calm in Beirut. *(Page 2)*

Angola: The two major nationalist groups are reported to be building up their forces between Luanda and Caxito. *(Page 4)*

Notes: Egypt; Turkey-Cyprus *(Page 5)*

Annex: We discuss the reaction of fedayeen groups to the new Egyptian-Israeli agreement.

FOR THE PRESIDENT ONLY

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PORUGAL

Anti-Communist army officers appear to have won an important tactical victory in their effort to prevent Vasco Goncalves' installation as armed forces chief of staff.

The army's assembly voted overwhelming against Goncalves late on Tuesday in spite of the former prime minister's personal appearance at the meeting. The assembly also voted to ask President Costa Gomes to postpone the crucial meeting of the Armed Forces General Assembly--scheduled for tomorrow--until the composition of the general assembly can be changed to make it more representative of the armed forces. If the session is held as scheduled, the army delegates may well boycott it.

The air force was to have held its assembly yesterday, but reports conflict on whether the assembly took place. The air force, which is thought to be the most anti-Communist of the three services, was expected to follow the army's lead.

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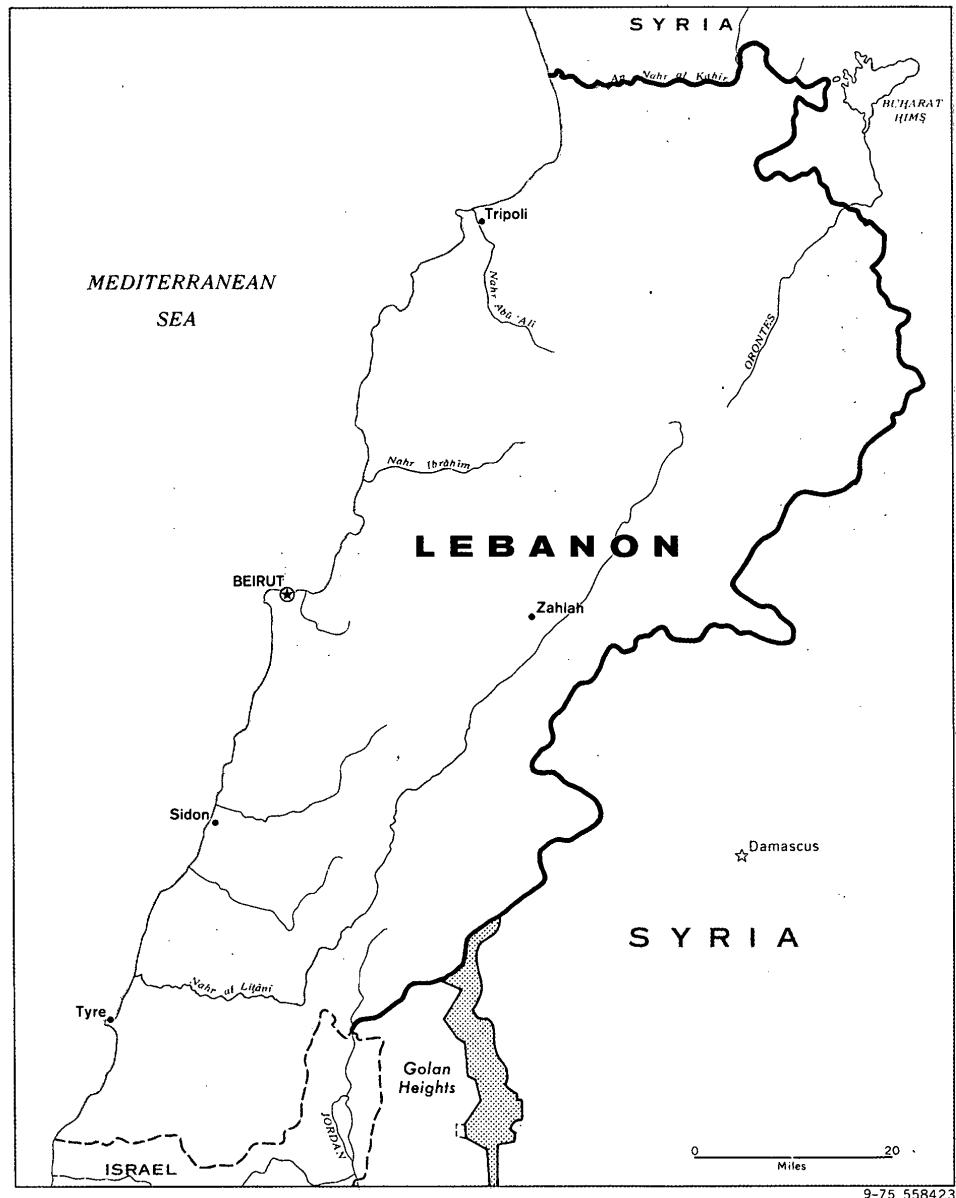
Mario Soares has made public his party's conditions for joining a new government. In addition to the removal of Goncalves, Soares is demanding:

--Municipal, labor union, and national assembly elections.

--Support for the popularly elected constituent assembly.

--Implementation of a Socialist Party economic plan.

There are some signs that Portuguese rightists may try to take advantage of the current political confusion. An attempt just now by rightists to launch a strike inside Portugal would be quickly exploited by the Communists, who would link all their opponents to the popularly discredited political right. This could easily scuttle the efforts of the anti-Communist military officers to purge Goncalves and his supporters.



FOR THE PRESIDENT ONLY

LEBANON

Palestinians and Lebanese leftists called a general strike yesterday to protest the Egyptian-Israeli agreement. The strike halted commercial activity in the southern port cities of Sidon and Tyre but was only partly effective in Beirut. There is danger that the protests against the new Sinai pact could combine with the continuing clashes between Christians and Muslims to undermine the delicate calm in Beirut.

Small arms fire was heard early yesterday morning in the Beirut suburbs, and two rockets were fired at the headquarters of the right-wing Christian Phalanges Party. Government security forces moved quickly to contain the violence and to provide protection to the Egyptian embassy, which had been the scene of a demonstration by Palestinians last weekend.

The government appears gradually to be gaining the upper hand in the provincial capital of Zahlah, where clashes have occurred for the last ten days between Christians and Muslims. According to reliable press reports, at least 36 persons have been killed in the fighting there.

Palestinian forces in Beirut's refugee camps [redacted] have gone on alert in the expectation of widespread fighting soon. Militias of right- and left-wing Lebanese political parties also are preparing for a resumption of hostilities by importing large quantities of arms and accelerating their training programs.

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Complicating Lebanon's domestic difficulties, Israeli aircraft bombed fedayeen targets in southern Lebanon yesterday for the second consecutive day.

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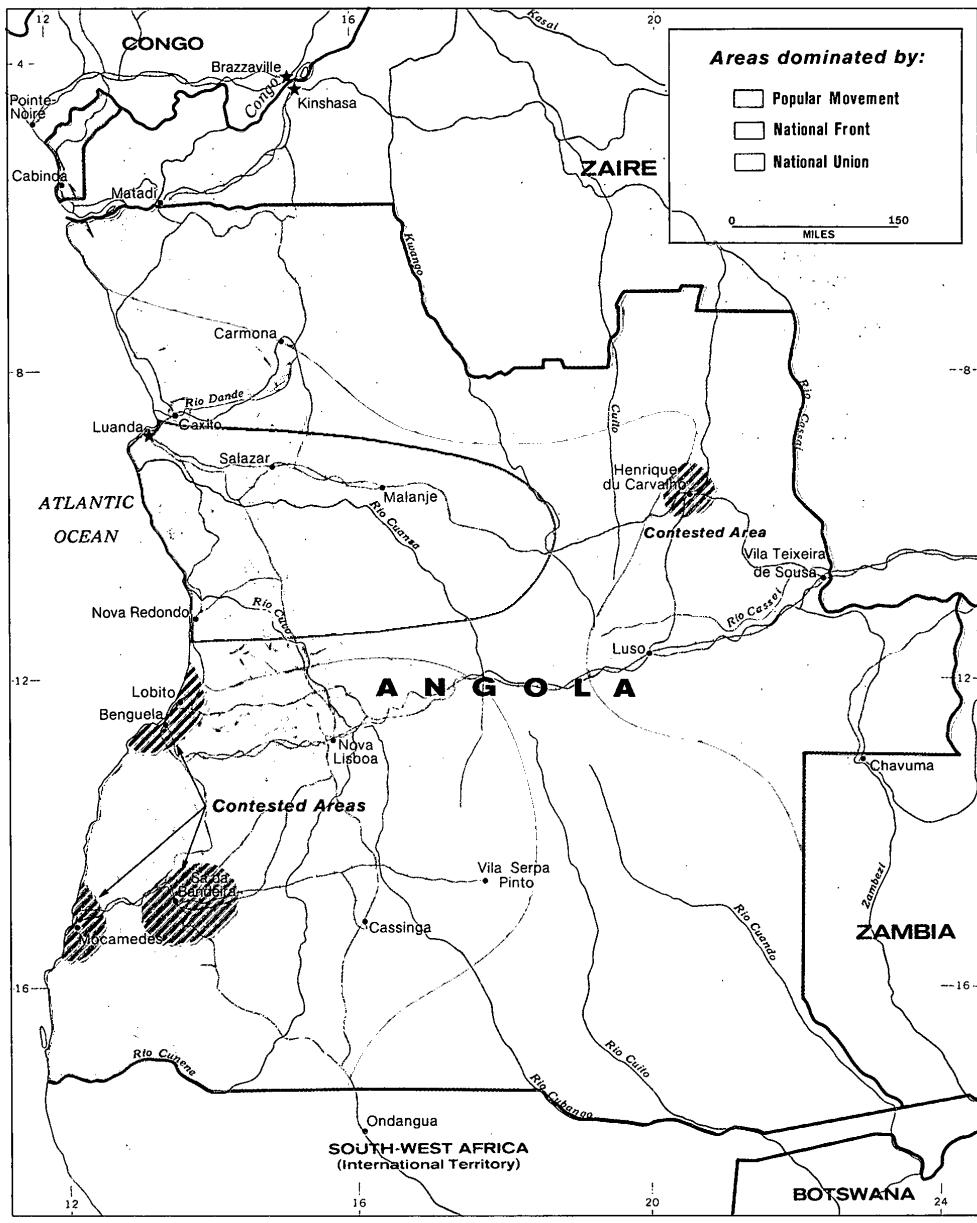
FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

Tel Aviv has increased its attacks on fedayeen targets during the past several weeks in retaliation for stepped up fedayeen strikes across the border, and in an attempt to preempt these terrorist attacks. Early yesterday morning, according to a military authority in Tel Aviv, Israeli aircraft struck fedayeen camp, storage, and headquarters structures some 15 miles north of the Israeli border on the Mediterranean coast. Fedayeen targets in southeastern Lebanon near Mount Hermon also were hit by Israeli aircraft and artillery in separate strikes.

UN observers reported outbreaks of sporadic machine gun, mortar, and artillery fire last night and again early this morning. The Palestine guerrilla command announced in Beirut this morning that Israeli commandos struck guerrilla positions near the Lebanese port city of Sidon. The Israelis reportedly came ashore in five rubber boats under the cover of naval gunfire. The Israeli military command confirmed in a brief communiqué that its troops had clashed with Arab guerrillas but provided few details.

FOR THE PRESIDENT ONLY



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FOR THE PRESIDENT ONLY

ANGOLA

The National Front for the Liberation of Angola and the Popular Movement for the Liberation of Angola are reported to be building up their forces between Luanda and the Front's stronghold at Caxito. Claims by the National Front that it has advanced to within ten miles of the capital cannot be confirmed, however.

The National Front is anxious to establish a military perimeter around the outskirts of Luanda, but [redacted] does not intend to fight its way into the capital. It apparently hopes that a strong military presence so close to Luanda will be enough to convince the Portuguese and the Popular Movement that the Front must be permitted to establish a political presence in the city again. The National Front also hopes to discredit Popular Movement claims of being the territory's only effective nationalist group and to frustrate its plan to "assume total responsibility for governing Angola" on November 11.

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With slightly more than two months remaining before they are scheduled to grant independence to Angola, the Portuguese are making a last-ditch attempt to patch together a government to which it can hand over sovereignty. Admiral Leonel Cardoso, formerly in charge of naval operations in Portugal's African territories, was sworn in last week as the new high commissioner in Angola and should be arriving in Luanda soon. Cardoso will have broader executive, judicial, and defense responsibilities than those granted to his predecessor now that Lisbon has suspended the January agreement.

FOR THE PRESIDENT ONLY

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Egypt

25X1

the Sinai
agreement would achieve virtually all Egypt's im-
mediate military objectives, and that implementa-
tion of the plan to seize the Sinai passes is no
longer necessary.

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the Egyptian
army is maintaining the program introduced in July
to train units in their wartime missions.

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Turkey announced yesterday that some of the
approximately 1,500 army commandos stationed on
Cyprus since July 1974 will return to Turkey this
week.

The move appears related to the US arms em-
bargo as much as to a Cyprus settlement. The
Turks undoubtedly hope that the withdrawal will
offset their failure to make meaningful proposals
on a territorial settlement in Cyprus. This
failure, combined with Turkish unwillingness thus
far to follow through on commitments made during
the last round of the intercommunal talks in
Vienna, has left Greek Cypriots pessimistic over
prospects for the round of talks scheduled to be
held in New York on September 8 and 9. The main-
land Turks and Turkish Cypriot leader Denktash ap-
pear caught between a tactical need to appear rea-
sonable and forthcoming in New York--with an eye
to the US House of Representatives' position on
the arms embargo--and the political situation in
Turkey that makes concessions difficult.

FOR THE PRESIDENT ONLY

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FEDAYEEN

Two fedayeen groups that have generally supported a negotiated settlement in the Middle East--the Syrian-controlled Saiga organization and the Marxist-oriented Popular Democratic Front for the Liberation of Palestine--have raised unusually forceful criticism of the new Egyptian-Israeli agreement. Unlike spokesmen for Fatah, the largest commando group, they have directly attacked Egypt and President Sadat as well as Israel and the US.

The outspokenness of the two groups reflects the rapidly growing frustration among less radical fedayeen leaders. They privately accepted last year's Egyptian and Syrian interim agreements as necessary steps toward negotiations involving the Palestinians, but now are irritated that Egypt has endorsed a second accord without explicit public guarantees that Israel ever will make concessions to or even negotiate with the Palestinians.

The Democratic Front, which for several months has been inching toward a policy line independent of Fatah, has done the most to translate its unhappiness into concrete opposition. On September 1, the group assembled representatives of Lebanon's 16 Palestinian refugee camps to demonstrate opposition to the Sinai accord at several Arab embassies in Beirut. The Democratic Front also helped organize yesterday's general strike by Palestinians in Lebanon's major cities.

Position of Yasir Arafat

These initiatives have created a major problem for Palestine Liberation Organization and Fatah chief Yasir Arafat. His relatively conciliatory policies have long been criticized by Fatah field commanders, who, despite the risk of Israeli retaliation, would like to initiate more cross-border attacks on Israel. The radical fedayeen philosophy of rejecting any settlement with Israel is making headway among these officers and among the second-level Palestinian leaders who run the so-called "popular organizations" within the PLO.

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The cynicism of these groups has grown--and Arafat's prestige has diminished--since Arafat's widely publicized appearance before the UN General Assembly late last year. At that time, Arafat raised Palestinian expectations, but he has been unable to produce anything to meet these expectations.

Despite this popular disenchantment, Arafat appears to be in little danger of being replaced as head of the PLO or Fatah. The rejectionists are still only a small minority, and none of the other less radical leaders have come up with a practical alternative to Arafat's policies.

In the past week, Arafat has begun an effort to deal with his predicament by seizing the initiative from his critics, while at the same time holding to the essentials of his policies. In particular, he is trying to obscure his continued willingness to cooperate with Egypt and Syria in a barrage of rhetoric condemning the US, threatening Israel, and calling for Arab unity.

Dependence on Syria

To offset the strain in Palestinian-Egyptian relations created by the new Sinai accord, PLO spokesmen are taking care not to offend the Syrians, and are working--at least superficially--toward implementation of President Asad's six-month-old proposal for a "joint Palestinian-Syrian political and military command." The fourth session of the working group considering ways to implement the proposal met in Damascus late last week.

Future Syrian policy toward Middle East negotiations will be the single most important factor in determining Palestinian policy. The Lebanese-based fedayeen groups and the Syrian-based Palestine Liberation Army, the PLO's conventional military force, both depend on Syrian good will for the supply and transit of arms. In addition, the PLO depends heavily on Damascus for international political support, as in its effort to expel Israel from the UN. As a result, the principal Palestinian leaders dare not deviate too far from the Syrian policy line.

So long as Damascus is reserved in its criticism of Egypt and holds out hope for progress in negotiations, Arafat will be free to pursue his preferred strategy of preserving his links to Egypt. Arafat is angered at Sadat's willingness to act without regard for Palestinian interests, but also is impressed with Cairo's demonstrated ability to make gains through negotiations.

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In addition, he is mindful of the penalties the Palestinians have paid for offering needlessly antagonistic criticism in the past, and appreciative of Egypt's potential to help offset any future Syrian attempts to exercise greater control over the fedayeen.

Terrorism as an Alternative

The Palestinians' only clear alternative to depending on Egypt and Syria is to employ unrestricted terrorism to force world attention on the Palestinian problem. There is no question that the fedayeen have the operational capability to do this, but their awareness of the political outrage that such a strategy would prompt--in the Arab world and beyond--almost certainly will deter them.

Of the less radical groups, Saqa and the Democratic Front have seldom engaged in international terrorism, and show no sign that they are considering it now, despite their increased frustrations.

Fatah's Black September Organization is still [redacted] making contingency plans for international terrorist operations, but for the past year has been relatively inactive.

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Among the radical groups, the Popular Front and the General Command have engaged in international terrorism--particularly hijackings--and could do so again. Recently, however, they, like the less radical groups, have emphasized cross-border attacks on Israel out of a conviction that such incidents win greater support from the Palestinian masses and Arab governments.

Fedayeen of all stripes have already stepped up their attacks on Israel, and seem likely to continue to do so despite the increased frequency of Israeli strikes at fedayeen bases throughout Lebanon. For most fedayeen leaders, this is the only road open between acquiescing in Egypt's fait accompli and turning to counterproductive international terrorism.

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The President's Daily Brief

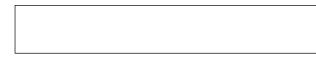
September 5, 1975

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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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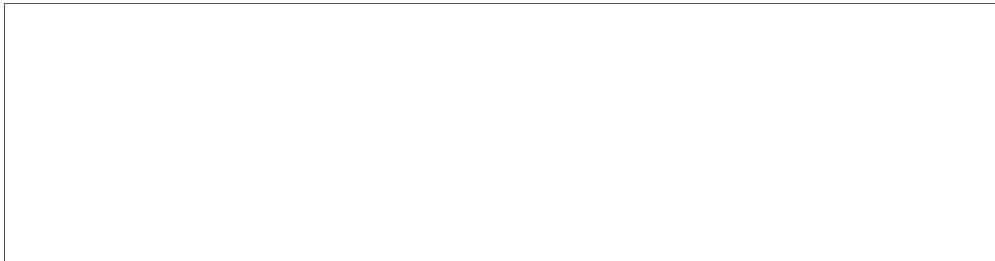
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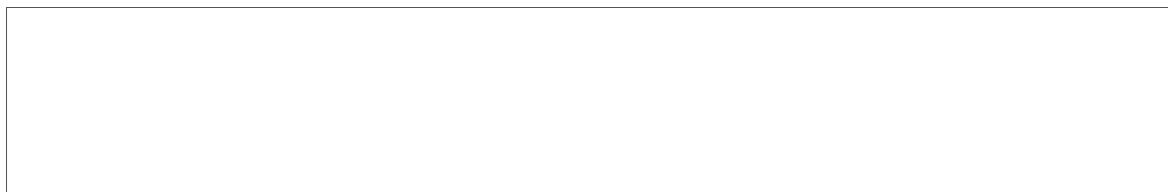
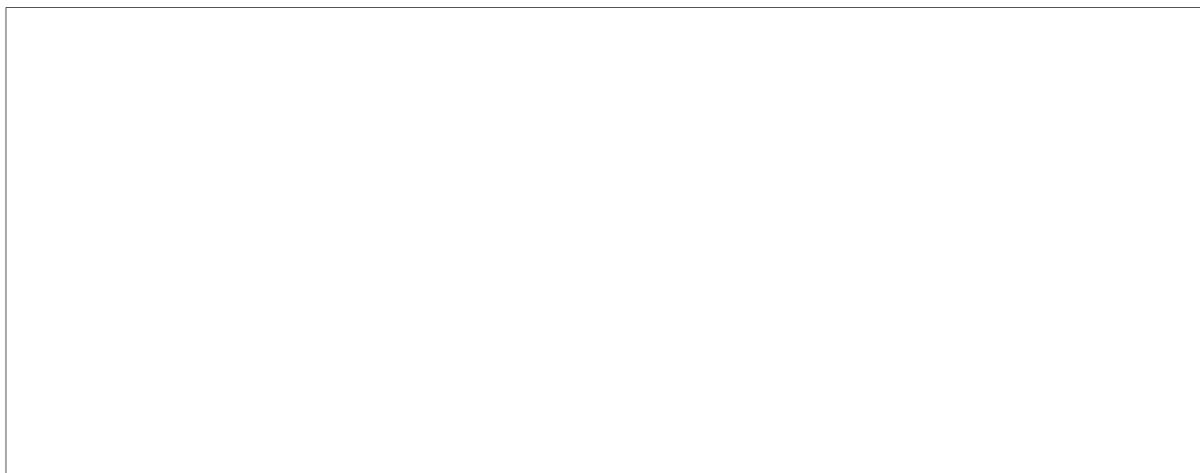


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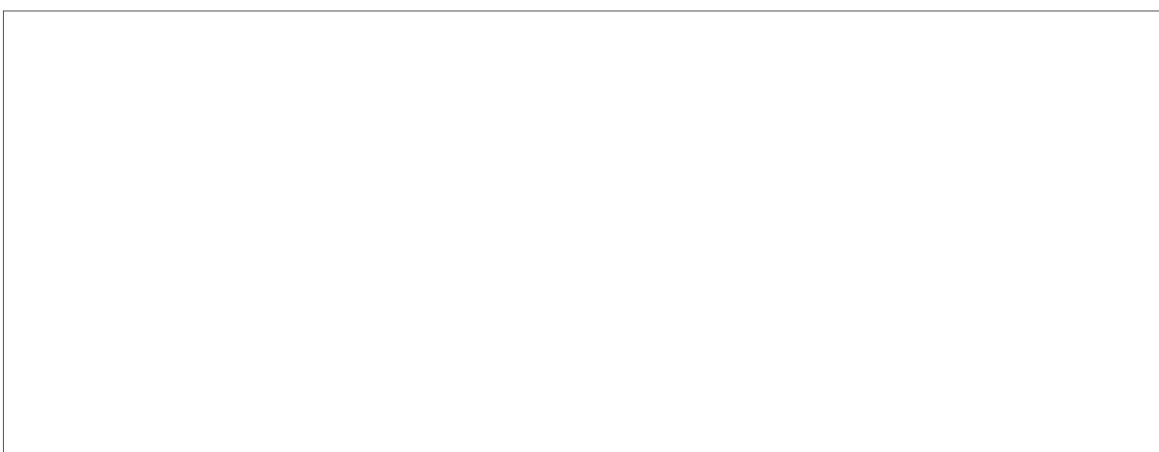
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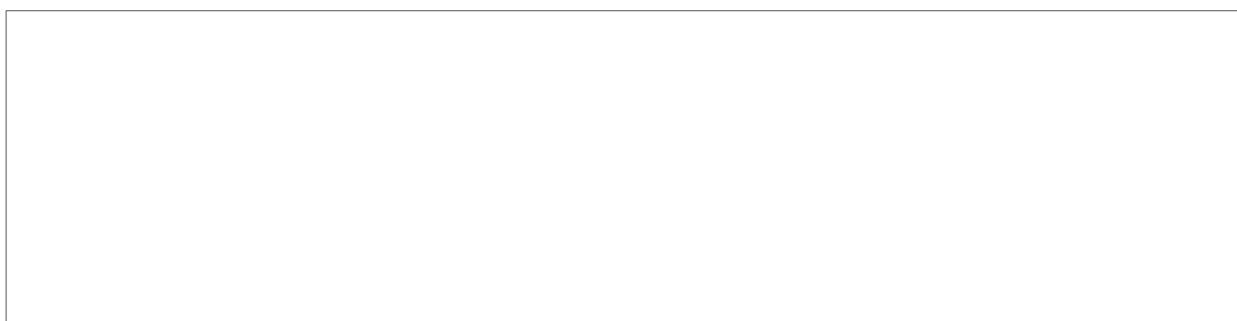
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FOR THE PRESIDENT ONLY

September 5, 1975

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Portugal: The Armed Forces General Assembly session that is likely to be a showdown over pro-Communist Vasco Goncalves is to be held today as scheduled, according to a spokesman for President Costa Gomes. (Page 1)

Egypt: In an angry and often emotional speech last night, President Sadat defended the Egyptian-Israeli disengagement agreement against a rising tide of Arab and Soviet attack. (Page 3)

Syria: Damascus has sharply denounced the new Sinai agreement. (Page 5)

Notes: [redacted] Greece; USSR-Laos 25X1
(Pages 6 and 7)

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

PORUGAL

The Portuguese Armed Forces General Assembly will meet today as scheduled, according to a spokesman for President Costa Gomes, and is likely to be the scene for a showdown between supporters and opponents of Vasco Goncalves. Opponents of the pro-Communist Goncalves reportedly plan a military move if the assembly goes against them.

Rumors that the assembly would be postponed in the face of a threatened boycott by army delegates were denied yesterday by the President's office, and [redacted] army Chief of Staff Fabiao was, in fact, campaigning for the meeting to be held. Fabiao earlier this week chaired the meeting of the army assembly, which voted overwhelmingly against Goncalves. Fabiao has issued a strongly worded statement rejecting Goncalves' appointment as armed forces chief of staff.

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If Fabiao now favors the meeting, it could indicate that Goncalves' opponents believe they can control the outcome or, possibly, that Fabiao has deserted the anti-Goncalves faction. He did so once before when he withdrew as the Antunes group's candidate to replace Goncalves.

The assembly meeting reportedly will be held at Tancos, a town about 80 miles north of Lisbon. Paratroopers headquartered at Tancos are believed to support the Antunes group, and pro-Goncalves delegates could feel intimidated. The US embassy suggests that this would also be a good opportunity for the Antunes group to initiate a military move by seizing some of the principal leaders of the Goncalves faction.

Sources within the Antunes faction have told the US embassy that they will wait to start any military action until after the assembly, in the hope that Goncalves can be ousted without bloodshed. If he is still in place after the assembly meeting, the Antunes group reportedly will begin military action in northern Portugal and gradually move south to isolate Lisbon.

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FOR THE PRESIDENT ONLY

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One good barometer of how Goncalves' backers view his chances has been the public position of the Portuguese Communist Party, which has vacillated between full support for Goncalves and calls for a compromise, depending on Goncalves' fortunes at the moment. In an interview released yesterday, party secretary Cunhal called for talks to include the warring military factions, the Communists, and the Socialists to discuss a compromise solution and form a new government that could be supported by all factions. No mention was made of Goncalves.

Cunhal also talked in the interview of possible efforts by fascists associated with Antonio de Spinola to regain power. Indeed, Spinola is the wild card in the Portuguese deck who has the capacity to alter significantly the present balance of forces. Spinola's backers, both within Portugal and in neighboring countries, see Melo Antunes as nearly as objectionable as Goncalves, and could decide to make their move before Antunes succeeds in using anti-Communist sentiment to put himself in power.

Spinola's arrival in Paris Wednesday has already set off rumors in Lisbon that he will attempt to regain power. With Portugal's armed forces divided, Spinola, in league with other rightist forces, might have improved prospects for success. It is more likely that he would succeed only in torpedoing the attempt to oust Goncalves and roll back Communist influence.

Meanwhile, Prime Minister - designate Azevedo has continued his efforts to form a government, but with lack of success. Yesterday, the Popular Democrats made known their conditions for joining a new government. Echoing the Socialists, they called for Goncalves' removal, the appointment of a military minister from the Antunes group, local and national elections, and restructuring of the Armed Forces General Assembly.

With Azevedo's efforts stalled and swearing in ceremonies postponed, there has still been no real change in the government. Goncalves still chairs meetings of the Fifth Provisional Government's cabinet, and Azevedo continues to function as navy chief of staff.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

EGYPT

In an angry and often emotional speech to a joint session of Egypt's political and legislative leaders last night, President Sadat defended the Egyptian-Israeli disengagement agreement against a rising tide of Arab and Soviet attack.

Directing unusually forthright criticism at his Arab allies, Sadat charged that Syria and the Palestine Liberation Organization are giving Israel and the Soviet Union the opportunity both are seeking to divide Arab ranks.

Sadat has usually reserved such criticism for the likes of Libya; he has never before attacked Syria and President Asad by name and has seldom so directly castigated the less radical Palestinians.

Ignoring his original intention to explain the specifics of the agreement, Sadat made his speech a counterattack, challenging the other Arabs to prove that their tactics could match Egypt's accomplishments. He reviewed the Arab struggle with Israel and asserted that a quarter century of slogans and paper resolutions had produced nothing for the Arabs.

Sadat said the Arab people deserve more than "soporific promises," and he claimed full credit for starting them on a course that has brought not only gains for Egypt but a return of territory to Syria and greater international recognition for the Palestinians.

In the course of his defense, Sadat minimized the territorial gains Egypt has made in the latest agreement in order to demonstrate its continued loyalty to the Arab cause. He said he had not obtained all he had hoped for. In the most telling justification of his position, Sadat asserted that, if he had meant to abandon the other Arabs as they have charged, he could have regained the entire Sinai through considerably less arduous negotiations.

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

The Egyptian President reserved his most scathing attack for the Soviets, although they were clearly not the chief focus of his concern. To applause from his audience, he charged that the Soviets' boycott of the signing ceremonies in Geneva yesterday was an "open provocation."

He repeatedly accused Moscow of deliberately distorting Egypt's position in an effort to divide it from the other Arabs.

Sadat's speech reflects his obvious concern for the effect the Sinai accord will have on Egypt's position of leadership within the Arab world. Despite his claims to the contrary, the accord and its injunction against the use of force do in fact effectively remove Egypt from the center of the Arab struggle for the next few years. His assertion of less than full satisfaction is the other Arabs' only assurance that Egypt might eventually re-enter the fray.

This knowledge will not reassure them, and Sadat's attack is not likely to deter them from further criticism.

Sadat is aware of this, but his speech indicated his determination not to be diverted from his preferred negotiating path. He made no apologies for his position; he said Egypt would respect and implement what it has signed.

Sadat also made no excuses for his relations with the US, despite the particularly harsh criticism many Arabs have directed at the US role in the agreement. He expressed particular thanks to you for your "intervention and personal attention," which he said were critical to achieving the agreement. His remarks brought applause from the audience.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

SYRIA

Syria's sharp denunciation of the Sinai accord following an extraordinary meeting of Baath party leaders yesterday may be designed more to disarm President Asad's internal and external critics than to score either the US or Egypt.

Asad may have chosen the Baath party as the vehicle to issue the denunciation in order to defuse any internal pressures on him to speak out more directly against the agreement. If so, he may be trying to buy time to see what develops on the negotiating front before the mandate of the UN forces on the Golan Heights comes up for renewal in late November.

Foreign Minister Khaddam told Ambassador Murphy yesterday, in fact, that Syria had felt compelled to issue the statement because of the "severely disturbed state of Arab public opinion." The minister said he hoped the US appreciated the restraint exercised by the statement's drafters. One embassy source, with access to the thinking of the Syrian leadership, even characterized the condemnation of the accord as a "smokescreen" drafted with an eye to protecting Syria's flank from criticism by Iraq.

In any event, we believe that Asad has not yet given up hope of obtaining another Israeli pull-back on the Golan, although he may be dissatisfied with the lack of concrete assurances that Syrian-Israeli negotiations will start soon. Our embassy believes that the most significant point in the Syrian statement may be Damascus' attempt to exploit current frustrations among both the Palestinians and Jordanians in hopes of nudging them closer to cooperation with Syria.

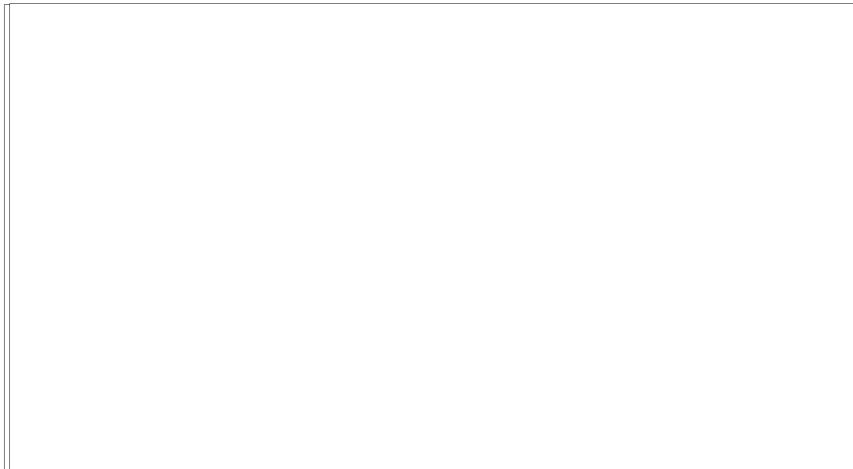
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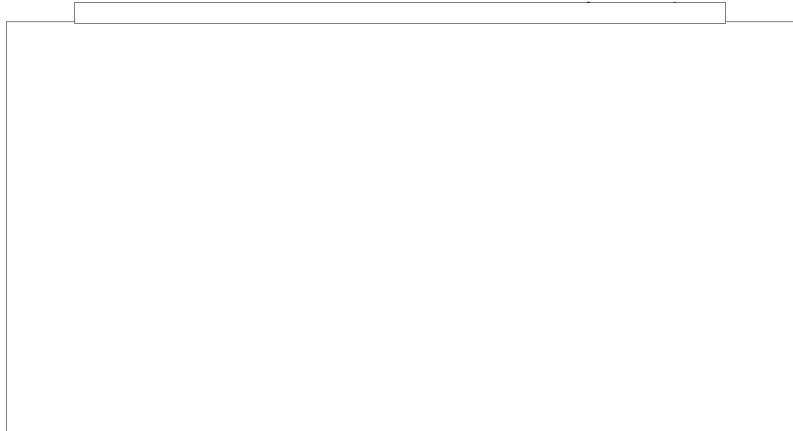
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Greek



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FOR THE PRESIDENT ONLY

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The Soviets recently have sent 200 to 300 additional personnel to Laos, according to a Lao diplomat in Moscow.

The Soviets are reluctant to answer questions about the size of their mission in Laos but admit that approximately 300 are there. This figure is probably understated, but in itself it represents a substantial increase from the 75 to 100 that were in the country six months ago. The Soviets are providing technical assistance in improving and operating several airfields. It also appears that they are about to begin work on several construction projects agreed to in the assistance pact they signed last December with the Laotians. Moscow's willingness to provide aid is aimed at improving its position in Laos vis-a-vis that of Peking.

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The President's Daily Brief

September 6, 1975

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Exempt from general
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exemption category 5B(1),(2),(3)
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FOR THE PRESIDENT ONLY

September 6, 1975

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Portugal: The removal of the pro-Communist Goncalves leaves the armed forces divided, but may improve Admiral Azevedo's chances of forming a new government. (Page 1)

Egypt: Officials seem confident that the Egyptian-Israeli disengagement agreement is generally supported within Egypt, despite the outcry in other Arab countries. (Page 3)

Jordan: Jordan has completed work on its military fortifications in the Jordan Valley. (Page 5)

Notes: Yugoslavia; Sudan (Page 6)

FOR THE PRESIDENT ONLY

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PORUGAL

The removal of the pro-Communist Vasco Goncalves from the leadership leaves the armed forces divided into opposing factions, but may improve Admiral Azevedo's chances of forming a new government. There has been no public reaction from the rival factions.

A communiqué issued after a rump session of the Armed Forces General Assembly last night said Goncalves had "declined" the post of chief of staff of the armed forces. It is clear, however, that he was forced out by anti-Communist officers in the army and air force. Goncalves and three of his closest supporters were also purged from the Revolutionary Council, which has apparently regained most of its former power as Portugal's dominant policy-making body.

Goncalves' removal may have been part of yet another attempt by President Costa Gomes to arrange a compromise that would not make any faction a complete winner or loser. In addition to the pro-Communist officers purged from the Revolutionary Council, Commander Vitor Crespo, a loyal supporter of Major Melo Antunes, also was dropped.

A membership list for the revamped council also failed to include Antunes and Major Vitor Alves, leaders of the anti-Goncalves drive. The assembly's communiqué said the council would have to decide later whether these two, along with Goncalves' labor minister Costa Martins, would be asked to rejoin its membership.

Separate lists for the revised council apparently were drawn up by the individual service assemblies earlier this week. The members, all previously on the council, reflect the predominant political leanings of the services they represent. The anti-Communist faction generally associated with Antunes appears to have a majority, although that could be changed by the switch of only a few votes.

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

This apparent effort at a compromise may defuse the situation, which had moved dangerously close to a violent confrontation, although there has been no indication of how either the Antunes or Goncalves factions are reacting to the announced changes. General Carvalho was quoted as saying after the meeting yesterday that it contributed nothing to restoring unity or tranquility in Portugal.

The principal demand of the Antunes group and the democratic political parties--the ouster of Goncalves--was met, however, and Prime Minister - designate Azevedo may now receive greater cooperation in forming a government. Socialist leader Soares' demands for elections and a separation of civilian and military responsibilities, together with his strong criticism of the Communist Party, will pose problems, however, if Azevedo continues to press for a government that includes the Socialists, Communists, and Popular Democrats.

With yesterday's decisions failing to resolve decisively the factional power struggle, there also remains the possibility of the rightist forces of former president Spinola playing the spoiler role.

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FOR THE PRESIDENT ONLY

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EGYPT

Egyptian officials seem confident that the Egyptian-Israeli disengagement agreement is generally supported within Egypt, despite the outcry in other Arab countries.

The US embassy in Cairo reports that government officials were reasonably certain throughout the negotiations that Egyptians would stand behind President Sadat. This confidence was evidenced by the government's unprecedented willingness to bare the details of the accord, including concessions that a few years ago would have been unthinkable.

Most provisions of last year's disengagement were kept from the Egyptian public, and the government has never openly acknowledged making concessions in that accord.

The government's confidence appears thus far to have been well placed. The embassy believes that, although some opposition is inevitable, most Egyptians will welcome a period of relatively assured stability. The business community is already expressing pleasure that the agreement provides a better atmosphere for commercial planning uninterrupted by threats of war.

Egyptian officials, nevertheless, are distressed by the absence of Arab support for the new agreement. Only the Saudis are fully backing Sadat. Syria's virulent attack rankles Cairo the most, but Jordan's lack of enthusiasm is a distinct disappointment. Algeria has so far not reacted even privately; Kuwait and the other Gulf states with large Palestinian populations also have remained silent.

Opposition from outside Egypt does pose a possible threat to internal stability. Radical Arabs who feel threatened by Sadat's policies, or even the Soviets, could use the disengagement to stir up subversive elements inside Egypt.

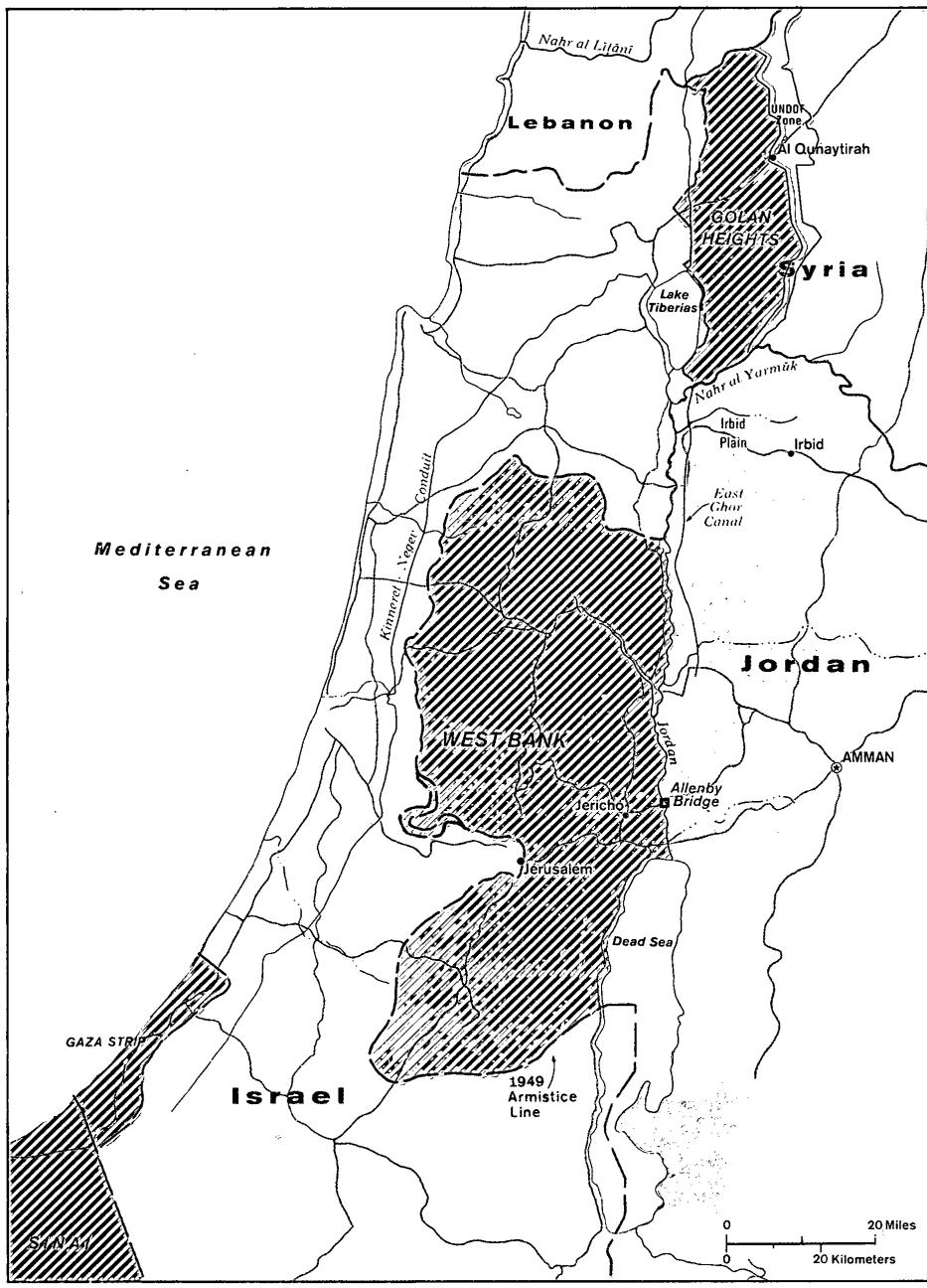
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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

For the present, however, the stridency of Arab and Soviet attacks has apparently served to close Egyptian ranks around Sadat. Sadat won prolonged applause from his audience of political and legislative leaders during his defense of the agreement on Thursday night, and these same leaders followed the speech with a resolution strongly endorsing his policies. Approval is to be expected from this usually tame group, but this resolution was uncharacteristically enthusiastic in expressing support.

FOR THE PRESIDENT ONLY



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FOR THE PRESIDENT ONLY

JORDAN

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*Jordan has completed work on its
military fortifications in the Jordan
Valley.*

[redacted] in the southern part
of the valley, the most effective defensive posi-
tions are on the road leading from the Allenby
Bridge, where approximately seven large concrete
bunkers have been built into the hills. Jordanian
armor has been shifted from exposed positions west
of Irbid into the nearby foothills where they have
cover and concealment, as well as room for maneuver.
An Israeli attack across the Jordan Valley into the
high ground of the Irbid Plain would now have to
contend with well-placed static defensive positions
as well as a mobile armored force.

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Work on the Jordan Valley defenses began last
spring out of concern that Israel might attempt to
outflank Syrian defenses on the Golan Heights with
a drive through northwestern Jordan. The overall
system consists of concrete bunkers and pillboxes,
minefields, and trenches built on key routes from
the Jordan Valley. Two infantry divisions, rein-
forced by two armored battalions, are responsible
for defense of the valley running from the Golan
Heights to the Dead Sea.

FOR THE PRESIDENT ONLY

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Yugoslavia

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Forces loyal to Sudanese President Jaafar Numayri yesterday easily quashed a coup effort mounted by an officer with reported ties to an extremist Muslim organization.

According to the US embassy in Khartoum, Numayri's position was never in jeopardy. Shortly after Lieutenant Colonel Hassam Uthman, the leader of the abortive coup, seized a radio station in the capital and announced Numayri's overthrow, loyalist troops quickly took control of important installations in the area and routed the outmanned dissidents. Numayri charged in a subsequent radio speech that the coup leader and his supporters had received financial aid from abroad. The most likely foreign source would be Libya. If Tripoli did have a hand in the coup effort, it may have hoped to block Sudanese efforts to forge closer ties with Egypt and Saudi Arabia.

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

September 8, 1975

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

September 8, 1975

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Portugal: President Costa Gomes and Prime Minister - designate Azevedo this weekend discussed formation of a government with leaders of six political parties. (Page 1)

USSR: The latest issue of the Soviet weekly *New Times* presents the most detailed Soviet criticism of the Sinai accord published to date. (Page 3)

Cuba: A three-day conference focusing on Puerto Rican independence, which convened in Havana on Friday, was a high point in Cuba's propaganda drive on that theme. (Page 4)

Note: Cambodia (Page 6)

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

PORUGAL

President Costa Gomes and Prime Minister - designate Azevedo discussed formation of a new government this weekend with representatives of six of the country's political parties. According to Lisbon radio, present speculation is that a coalition comprising the Socialists, the center-left Popular Democrats, and the Communists will be expanded to include members of the anti-Communist Mello Antunes faction.

In addition to these parties, talks have also been held with the hard-line pro-Communist Movement of the Socialist Left, the Communist front Popular Democratic Movement, and the center-right Social Democratic Center. It is believed these parties will not participate in the government, but have only been consulted to secure multiparty support.

There has been very little reaction to Friday's rump session of the Armed Forces General Assembly and the ouster of former prime minister Goncalves. Goncalves' supporters appear to feel that they have suffered a reversal. On Saturday evening his entire pro-Communist cabinet resigned, stating that it could no longer continue because Friday's events had fundamentally altered the political situation. The resignations came despite an appeal by Costa Gomes to stay on until the new cabinet is formed.

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The first reaction from the parties came from a leading Popular Democrat who demanded that the ruling Armed Forces Movement be dissolved, that the

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Revolutionary Council be scrapped, and that the military be subordinated to a democratic, civilian administration. He was probably seeking to gain a strong position for his party in the new government.

Army Chief of Staff Fabiao said yesterday that the parties are incapable of leading Portugal out of its present crisis

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USSR

The Soviet weekly New Times of September 5 presents the most detailed Soviet criticism of the Sinai accord published to date.

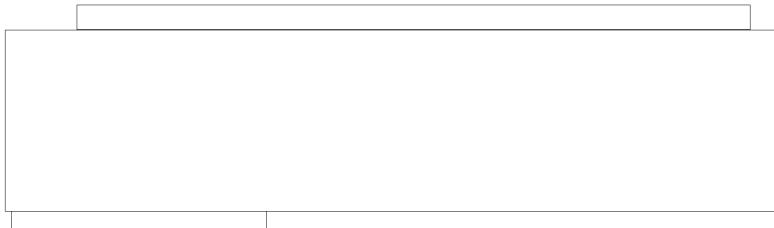
The article raises the following objections to the agreement:

--Israeli withdrawal in Sinai is meaningless because 87.5 percent of the area remains under Israeli occupation.

--The introduction of US technicians is an effort by Tel Aviv to involve the US in Israeli "adventures."

--The agreement has no connection with a general settlement in the Middle East and, in fact, aggravates the basic problem by prolonging Israeli occupation of Arab lands.

The article suggests that the accord tends to divide the Arab cause, one of several implicit digs at Egypt.



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CUBA

A three-day conference focusing on Puerto Rican independence, which convened in Havana on Friday, was a high point in Cuba's propaganda drive on that theme. The meeting was held under the auspices of the Moscow-backed World Peace Conference, but Cuba was the major impetus behind organizing the gathering.

At first glance, the meeting--designated the International Conference of Solidarity with Puerto Rican Independence--appears to run counter to Cuba's pursuit of detente with the US. Actually, the conference complements rather than conflicts with current Cuban foreign policy objectives.

--Prime Minister Castro needs a device to offset the sense of betrayal among Third World countries and international revolutionary movements that a reconciliation with the US would engender. The Puerto Rican issue lends itself particularly to international forums, such as the UN, where Cuba can continue to display its revolutionary credentials.

--Castro apparently believes that, as he sheds his independent policies and moves closer to the Soviet line on detente, he must boost his image at home. It is significant that the Puerto Rican campaign is being pressed by those Cubans who have the closest links to Moscow rather than by Castro's own ex-guerrilla comrades.

--The Cubans see Puerto Rican independence as an issue that has significant appeal in Latin America, yet is a safe one that will cost Havana little as long as it stops short of paramilitary involvement.

--The conference can also be read as a signal from Castro that detente is not synonymous with amity. Castro is convinced that not only Cuba but all of Latin America can gain more from the US if association is governed by confrontation rather than cooperation.

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Puerto Rican independence has been a recurring theme in Cuban propaganda, but it is now being given greater emphasis than heretofore. Castro may choose to soften the campaign from time to time as developments--such as negotiations with Washington--seem to warrant.

He is unlikely, however, to abandon what appears to be an integral part of a revised Cuban policy on Latin America. A central committee decision of last fall calls for Havana's concentration on countries in or bordering on the Caribbean basin instead of diffusing its political resources throughout Latin America.

FOR THE PRESIDENT ONLY

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NOTE

*Prince Sihanouk apparently will leave Peking
this week for Cambodia.*

He is expected to depart for Phnom Penh on Tuesday or Wednesday, accompanied by his wife, two sons, Prime Minister Penn Nouth, and a few aides and older members of his entourage. The rest of Sihanouk's people in Peking fear that if they return to Cambodia they will be sent to the countryside to work in the fields.

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[Redacted] Most of his followers have applied for French visas. The Chinese are taking the line, however, that the departure of these people is an internal Cambodian matter and have refused to grant them visas unless they receive approval from the Khmer communists.

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Top Secret



The President's Daily Brief

September 9, 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

September 9, 1975

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Israel-Syria: Israeli leaders have launched a press campaign to quiet fears that Tel Aviv will be forced into early interim negotiations with Syria. (Page 5)

Turkey: Our embassy in Ankara concludes that a Congressional reconfirmation of the arms embargo is likely to result not only in immediate retaliatory measures, but also could lead to long-term changes in Turkey's foreign policy orientation. (Page 7)

USSR: Two prominent members of Moscow's Institute of the USA and Canada have written articles defending Soviet detente policy against Western critics, and perhaps domestic skeptics as well. (Page 9)

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PORUGAL

Prime Minister - designate Azevedo, after consultation with the political parties, has announced that a new government will be named in two or three days. The anti-Communist faction of Major Melo Antunes, meanwhile, has taken steps to consolidate its position within Portugal's ruling military councils.

The Antunes group, excluded from recent meetings of the Revolutionary Council, quickly made its presence felt when a revamped council met for the first time yesterday. The council decided:

--To appoint Antunes supporter Vasco Lourenco head of a committee to restructure both the Revolutionary Council and the pro-Communist Armed Forces General Assembly.

--To reinstate anti-Communist former council members Melo Antunes and Vitor Alves.

--To prevent unauthorized announcements about military units and their political views.

--To proscribe interviews by military figures other than members of the council, in an apparent attempt to prevent public statements by former prime minister Goncalves and other pro-Communist officers.

With the announced restructuring of the assembly, the council, which since July has been relegated to a purely advisory role, appeared to be reasserting itself as the supreme authority in the country. The council also confirmed the military's intention to play a dominant political role when it launched an investigation into statements made by a local leader of the center-left Popular Democratic Party. The party official had urged that the Armed Forces Movement be dissolved, that the Revolutionary Council be scrapped, and that the military return to its barracks and leave the running of the country to civilian politicians.

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It is not yet clear what effect, if any, the Antunes group's new assertiveness will have on the formation of the new government. During the struggle to remove Goncalves, the Antunes faction reportedly pursued a joint strategy with the Socialists and Popular Democrats. The goodwill established during that period could easily break down, however, if the political parties' excessive demands for power frustrate the military in its desire to form a government and get the country moving again.

US embassy sources reported yesterday that both the democratic parties and the Communists could cause trouble in the selection of a government, but last evening Azevedo was confident that he could present a cabinet soon. His confidence seemed to be borne out by the Goncalves cabinet's announcement that it will remain in office until the new government is sworn in.

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LEBANON

Heavy fighting between Christians and Muslims continued in the northern port city of Tripoli yesterday. At least 25 persons have been killed and parts of the city have been looted.

Militiamen from the predominantly Muslim city of Tripoli reportedly have taken up positions in the hills overlooking the nearby Christian village of Zagharta, and are shelling the town with mortars and rocket-launched grenades. The attackers are seeking revenge for the slaying on Sunday of 12 Muslims by Christian militiamen on the Tripoli-Beirut highway.

Isolated elements of two fedayeen organizations, Fatah and the Popular Front for the Liberation of Palestine, are reported to have joined the Muslims, but so far there is no evidence of involvement by organized Palestinian forces. [redacted]

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Less-radical fedayeen leaders--including Palestine Liberation Organization and Fatah chief Yasir Arafat--are on the defensive, however, as a result of their failure to win any concessions for the Palestinians as part of the most recent Egyptian-Israeli agreement. They will find it difficult to keep their followers on the sidelines if the fighting continues.

Karami, a Muslim, apparently is at odds with Interior Minister Camille Shamun, a conservative Christian, over how to deal with the current situation. Shamun, according to press reports, has threatened to resign unless the Lebanese army is called in to stop the violence. Karami opposes such a strategy on the grounds that use of the predominantly Christian-officered army would antagonize his Muslim and leftist supporters and lead to more serious hostilities.

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The army has not been called on to put down civil unrest in Lebanon since the spring of 1973, when its battle with the fedayeen brought Syria to the verge of moving its troops into the country. The Lebanese government used only internal security forces during the unrest of April, May, and June of this year.

A government spokesman claimed yesterday that the cabinet had "adopted several decisions that hopefully will lead to the pacification of the situation." He offered no specifics, however, and his rhetoric appeared designed primarily to cover the disagreement between Karami and Shamun.

The cabinet will meet again today. If it again fails to come up with effective countermeasures, the fighting is likely to spread to other Lebanese cities, and ultimately could lead to the collapse of Karami's two-month-old "salvation cabinet."

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ISRAEL-SYRIA

Government leaders in Tel Aviv appear to have launched a press campaign to quiet widespread fears that Israel will be forced into early interim negotiations with Syria. At the same time, Prime Minister Rabin has hinted that Tel Aviv may have to confront the issue of negotiations with Damascus before the UN forces' mandate on the Golan expires at the end of November.

Interviews with Rabin, Defense Minister Peres, and Foreign Minister Allon--the team that negotiated the pact with Egypt--appeared late last week in all major Israel dailies. All three denied that negotiations for an interim agreement with Syria are linked to the latest accord with Egypt. Rabin emphasized that the government has committed itself only to a willingness to discuss an overall settlement with Damascus, and that the pact with Egypt stands on its own.

Rabin acknowledged that the expiration of the UN forces' mandate on the Golan on November 30 may force Tel Aviv to deal with the issue of negotiations sooner than it would like. Rabin hinted strongly, however, that Israel would not take the initiative but would leave it to the US to come up with a proposal. Rabin prefers to put off negotiations with the Syrians not only until the agreement with Egypt is fully implemented--a matter of about five months--but also until a trial period has verified that Cairo is living up to the accord.

In a carefully worded statement, Rabin said he sees virtually no possibility that Damascus would accept the limited concessions Tel Aviv is prepared to make as part of another interim settlement on the Golan. He described the concessions as "cosmetic changes of a few hundred meters in a few sectors" of the present disengagement line. Rabin specifically ruled out anything that would interfere with the status of the Israeli Golan settlements or with the present Israeli defense lines.

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FOR THE PRESIDENT ONLY

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Defense Minister Peres, who has publicly advocated renewed contacts with Damascus, said there is little chance of negotiations "in the foreseeable future" because Israel will be too involved in implementing the agreement with Egypt. He added that although Israel might make some "gesture," no major steps in Middle East peace negotiations were likely until after the US presidential elections.

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TURKEY

Our embassy in Ankara has assessed possible Turkish reactions to Congressional reconsideration of the arms embargo. It concludes that a reconfirmation of the embargo is likely to result not only in immediate retaliatory measures, but also could lead to long-term changes in Turkey's foreign policy orientation. Even if the embargo is lifted, the Turks will insist on renegotiating the defense cooperation agreement with the US, and there will be no return to the status quo ante.

Should the embargo be sustained, the embassy believes the Turks will intensify their search for new sources of military equipment and take new actions against the US that would probably include:

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--Evicting the US [redacted]

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[redacted] and requesting that personnel be withdrawn from Turkey.

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--Requesting that US military aid teams depart.

--Tightening customs and administrative controls that are already creating difficulties for US military personnel assigned to Turkey.

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The embassy believes the Turks would be interested in maintaining only [redacted] the F-4 squadron at Incirlik, the two NATO headquarters at Izmir, and possibly communications sites related to the foregoing activities.

Over the longer term, the Turks are likely to seek a new foreign policy orientation if the embargo remains in effect. The embassy believes that Turkey would seek out a new political-military formula from among several options. These are listed in the order in which they might be tried:

--Stay in NATO despite deteriorating relations with the US; the inability of the other NATO countries to fill the military equipment gap would incline Turkey to search elsewhere.

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--Gradually disengage from NATO; a final break would be avoided for some time and accomplished only after extensive national debate.

--Seek closer relations with Iran and Pakistan; this is likely in any event, but would be pursued with greater vigor in the wake of a NATO withdrawal.

--Seek closer relations with the Arab countries; again, efforts in this direction are likely anyway, but they would be emphasized much more if Turkey decided to reduce or sever its ties to NATO.

--Reorient its foreign policy toward the Third World; such a shift from Ataturk's pro-Western outlook would be wrenching and could only come if there had been a complete break with NATO.

--Pursue a policy of detente with the USSR without altering Ankara's fundamental distrust of that country; efforts in this direction have, in fact, been under way for some time, but would likely be accelerated after, or in conjunction with, a phase-out from NATO.

--Move toward closer relations with the USSR; such a drastic step would only be adopted in extreme circumstances and with great reluctance, but cannot be ruled out if other options failed.

If Embargo is Lifted

The embassy believes that even if the embargo is lifted, the strain on US-Turkish relations would remain. The Turks probably will not agree to turn the clock back to the pre-embargo period. They are likely to seek early negotiations to revise the defense agreement and to maintain the current "provisional status" of US bases until a new arrangement is developed.

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[redacted] Even in this most favorable of circumstances, the Turks would probably try to incorporate many of the features of the current "provisional status" in any new agreement.

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USSR

Two prominent members of the USSR's Institute of the USA and Canada have written articles defending Soviet detente policy against Western critics, and perhaps against domestic skeptics as well. The articles seem to be fresh evidence of Moscow's concern over what it regards as a new outbreak of anti-Soviet sentiment in the West, particularly in the US.

In an article published in *Izvestia* on September 4, Georgy Arbatov, the director of the Institute and Moscow's leading authority on the US, seems to be reassuring his domestic readers that support for detente remains strong in the US. He implicitly cautions his Soviet readers not to overestimate the strength of detente's opponents and not to turn away from a policy that has brought the USSR "striking" achievements.

In a clear message to Western critics, Arbatov denies that the Soviets are seeking to use detente to "nudge forward" class and national liberation struggles. At the same time, however, he rejects the idea that detente entails a Soviet obligation to preserve the "social status quo." In essence, Arbatov argues that the USSR has every right under detente to support its friends.

In an article in the current issue of the Soviet journal *International Affairs*, Genrikh Trofimenco, a senior staff member in Arbatov's Institute, contends that bilateral relations have attained a "certain stability" that can sustain tension-producing shocks. He cites the Middle East war in October 1973 and US trade legislation of last year as sources of tension whose effects have been fully overcome.

Trofimenco adds to this rosy assessment the view that enemies of detente in the US will be overcome. In support of this assertion he claims that even the US "establishment" now supports detente with the USSR. Trofimenco professes confidence that economic relations will be normalized and that further progress will be made on limiting strategic weapons.

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NOTE

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The Romanian and Polish agricultural ministers will be in Washington this month to discuss bilateral cooperation with the US.

Romanian minister Miculescu, who also is deputy prime minister, hopes to sign a statement of agricultural cooperation when he returns to Washington this week from a Midwest tour. He also wants to establish cooperation on long-term agricultural research with several US universities, obtain seeds to replace those lost in the July floods, and receive additional US credits to buy cotton. Poland's agricultural minister Barcikowski will arrive on September 20 to discuss credits and purchases of US grain. Warsaw probably wants to import 3 to 4 million tons of grain this year to support an expansion of livestock production and to offset shortfalls in grain and drought-stricken fodder crops. Because of the USSR's poor grain harvest, any of these requirements will likely have to be met by purchases of US grain.

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The President's Daily Brief

September 10, 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

September 10, 1975

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Notes: Romania; Cambodia; Cyprus (Page 7)

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PORUGAL

The Socialist Party is taking advantage of the Communists' recent setbacks, but it remains concerned that its gains could be wiped out by an attempt from either the left or right to seize power.

Socialist sources have told the US embassy that prime minister - designate Azevedo has agreed to form a government based on the Socialist program and that the new cabinet could be announced as early as today. These sources claim that the party turned down an opportunity to form a Socialist government because it wanted to avoid criticism from other political parties at a time when tough decisions are necessary.

The Socialists say that they will be given at least five of the approximately 15 cabinet posts, although they may be including in this number independents sympathetic to their cause. According to the Socialist version of the new government, the Popular Democrats--who finished a respectable second to the Socialists in the elections last April--will receive two posts, and the Communists will be given at least one and possibly two.

The Socialists hope to gain effective control of the government. The party will try to get the military back into the barracks and hopes to disarm the various revolutionary groups, including the Communist paramilitary apparatus which the Socialists claim totals approximately 6,000 in the Lisbon area.

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FOR THE PRESIDENT ONLY

EGYPT

The US embassy in Cairo has provided an assessment of why President Sadat, anticipating Arab criticism of the Egyptian-Israeli disengagement agreement, still risked signing an accord that does not fully satisfy even Egypt's demands.

Our embassy believes that the answer lies in a synthesis of considerations, none of which has been overriding on its own. These are:

--Sadat judged that this was the last real chance to demonstrate that his shift in foreign policy--from dependence on the Soviets to confidence in the US--is working and has not hopelessly stalled, as his critics have charged. Believing election year in the US will make impossible bold US diplomacy, Sadat concluded it was now or never.

--Sadat perceived other options offered virtually nothing for Egypt. He knows he cannot "win" a war. Further, he is in the awkward position of knowing that if he takes preemptive military action, he is likely to lose carefully cultivated US support.

--As for a reconvened Geneva conference rather than the just concluded negotiations, Sadat knew it would have been a dangerously sterile operation, resulting in polarization of the Soviets and Arabs versus the US and Israel, and consequently an admission that his policy was bankrupt.

--Sadat was impressed with the argument that an Israeli withdrawal, obtained through negotiations and not war, constitutes an important symbolic victory and the actual beginning of the peace process.

--Sadat hopes he has sealed his borders against Israeli attack at a time of relative Egyptian military weakness.

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--As it became obvious during the negotiations that Egyptian minimal demands were to be met (oil fields returned and Israelis "out" of the passes), Sadat's ability to turn down the agreement diminished sharply. Without a significant pretext, refusal to accept the accord would have been equivalent to a slap at the Americans.

--The Egyptian people are in a mood to accept even a "bad" agreement. Businessmen want stability. The army is not afraid to fight but knows the severe disadvantage it faces. Most Egyptians are tired of war and yearn for economic improvements.

--Sadat retains full confidence in your and Secretary Kissinger's determination to continue to move the peace process along.

Sadat, therefore--for lack of anything better--agreed to sign the accord. He knows the risks are high, for he has left himself open to attack on almost every tenet of Arab solidarity. He has agreed to a de facto suspension of the state of belligerency and to the reintroduction of superpower "imperialists" in the area.

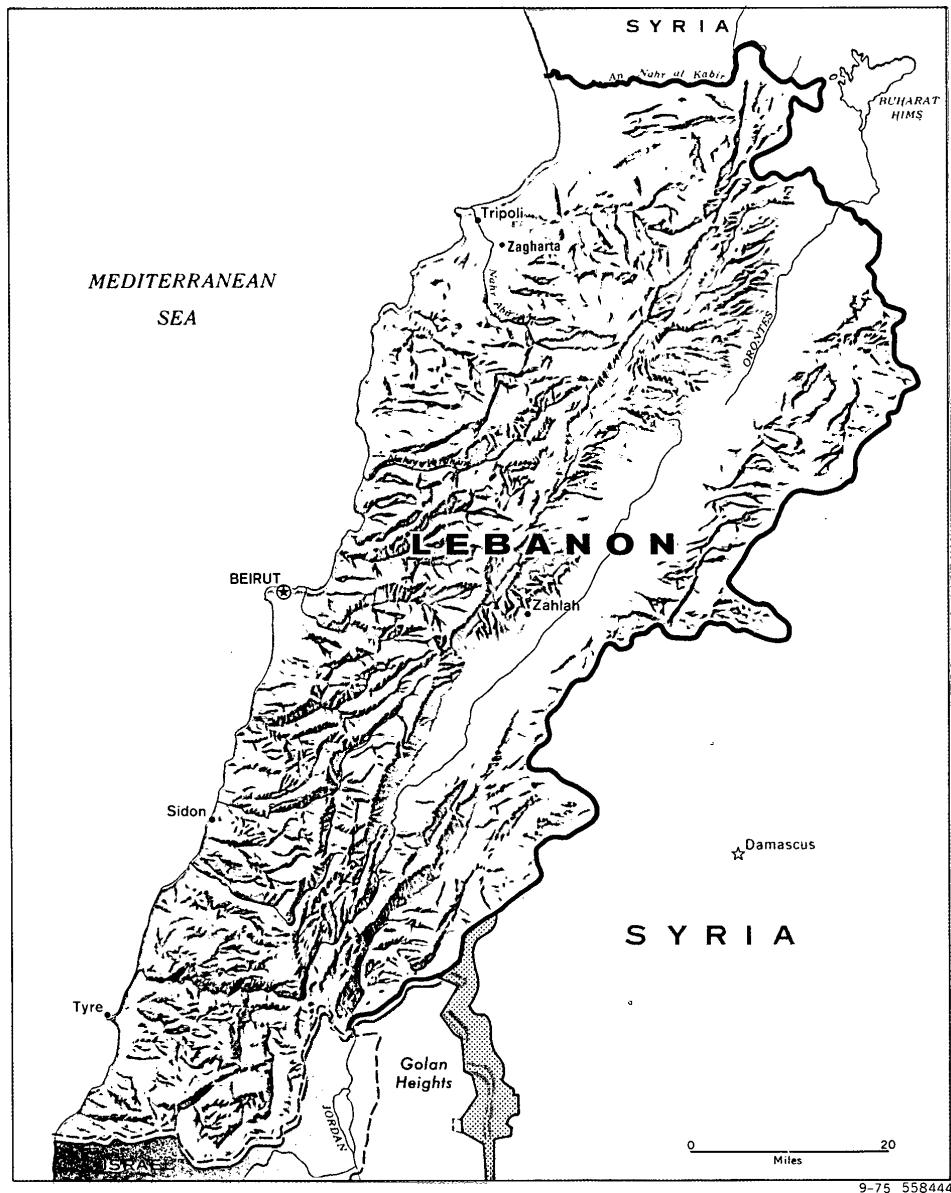
He has been unable to obtain a public declaration of US determination to seek a significant Israeli pullback from the Golan immediately. He has nothing to offer the Palestinians except a statement that he has urged the US to begin a dialogue with the Palestinians.

In short, Sadat will be hard pressed to refute charges that his is a self-seeking "Egypt first" policy that flies in the face of Arab nationalist principles.

The inevitable result initially will be an increasing flood of leftist propaganda. At least for the interim, Sadat's moral and real influence in the Arab world will diminish.

From all indications, however, Sadat is confident he can handle whatever domestic dissent outside provocateurs manage to stir up. Most of his senior colleagues do not fully share his confidence.

FOR THE PRESIDENT ONLY



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LEBANON

Muslims and Christians in northern Lebanon fought to a near standstill yesterday. With casualties and property damage very heavy in both Tripoli and Zagharta, militiamen on each side have abandoned hand-to-hand combat and returned to their usual tactic of shelling from fixed positions.

The militia of the right-wing Phalanges Party, which played a central role in the violence in Beirut earlier this year, still has not become significantly involved in the fighting. The party is Lebanon's largest Christian political organization, but is not strong in the area where hostilities are taking place.

The major fedayeen groups also are staying on the sidelines, despite the presence of some 16,000 Palestinians in two refugee camps near Tripoli.

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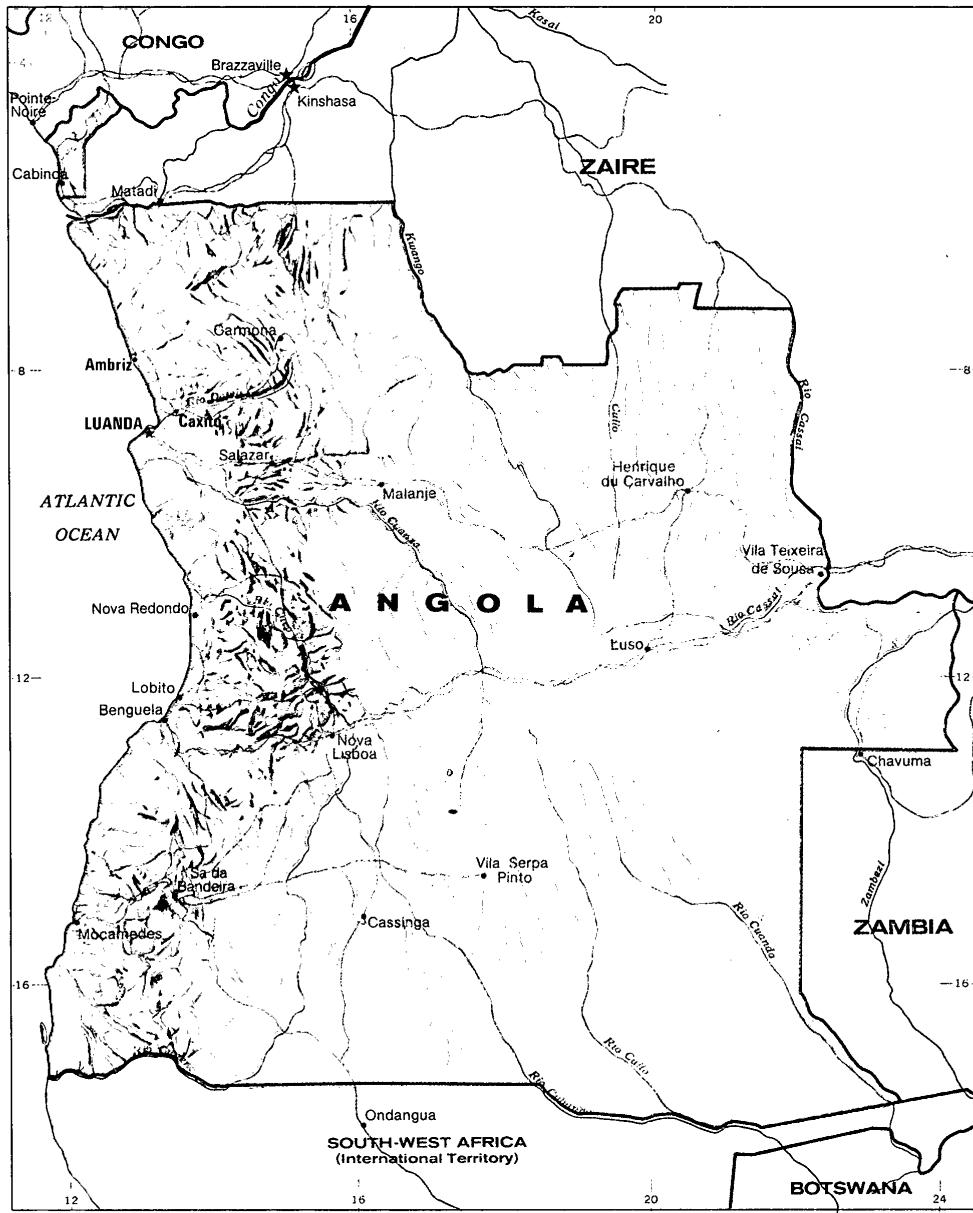
A few far-left fedayeen--presumably those in the pay of Libya and Iraq--have attempted to intensify the fighting. These Palestinians have been joined by pro-Iraq Lebanese politicians [redacted] in condemning the government's inaction.

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[redacted]
the government continues to resist calling in the army. Kamal Jumblatt, the leader of the Progressive Socialist Party, has warned Prime Minister Karami against use of the army, and leaders of Beirut's Muslim community have predicted civil war if the army becomes involved.

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The cabinet met for the second time in two days yesterday, but has not yet announced action to stop the violence. Newspapers in Beirut reported this morning that the army would be ordered today to intervene in the fighting. They said that the cabinet yesterday had agreed to give army commander Iskandar Ghanim a six-month leave of absence. Ghanim is a Christian and a long-time supporter of President Franjiyah. Ghanim might be replaced by army chief of staff Nasrallah, a Druze, who would be acceptable to both sides in the present dispute.



FOR THE PRESIDENT ONLY

ANGOLA-ZAIRE

The Popular Movement for the Liberation of Angola has forced the National Front for the Liberation of Angola from its stronghold at Caxito, some 40 miles northeast of Luanda.

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The fall of Caxito is a serious defeat for the National Front and may prelude a major offensive by the Popular Movement to push the other nationalist group out of Angola entirely.

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The Front had capitalized on its presence in Caxito to maintain its military credibility after being forced out of Luanda in July and to discredit the Popular Movement's claims that it is the only organization capable of assuming power when Angola achieves independence. Unless the Front can stage a dramatic comeback in the very near future, it could lose any chance of consideration as a participant in the post-independence government in Angola.

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UN

The reaction of both the developed and developing world to the US speech-- delivered on the first day of the Special Session of the UN General Assembly-- continues to be generally favorable.

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Our embassy in Paris reports that French officials are generally pleased with the speech because it brings Washington into the dialogue with the developing states. The Japanese Foreign Ministry is satisfied for the same reason.

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FOR THE PRESIDENT ONLY

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NOTES

Romanian President Ceausescu [redacted] suffered a bruised ego [redacted] at the Helsinki summit [redacted]

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[redacted] Ceausescu-- [redacted]
[redacted] was upset because he was not in the spotlight at Helsinki.
He was annoyed by the Romanian Foreign Ministry's failure to line up more talks for him with other chiefs of state. [redacted] the East European leaders tended to ignore him and treated him like an outsider. [redacted]

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* * *

Prince Sihanouk and his party received a festive welcome when they arrived in the Cambodian capital yesterday.

The Prince was accompanied by Deputy Prime Minister Khieu Samphan; Deputy Prime Minister for National Defense Son Sen delivered the welcome address. The Prince's visit to Phnom Penh will apparently be short. During October, he is scheduled to be in Peking at both the beginning and end of the month and, in between those dates, to address the UN General Assembly and go to North Korea. Following this round of travel, Sihanouk may be resigned to spending most of his time in Phnom Penh.

* * *

UN Secretary General Waldheim failed again yesterday to get Greek and Turkish Cypriot negotiators Clerides and Denktash to agree on an agenda for formal discussions.

Denktash said that he cannot discuss the territorial question until later in the year, after the senate elections in Turkey and the Turkish Cypriot elections. Clerides refuses to participate in formal talks unless Denktash presents concrete proposals on the territorial question. Waldheim intends to call a session today that he hopes will at least pave the way for another round of talks at a later date.

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

September 11, 1975

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

FOR THE PRESIDENT ONLY

September 11, 1975

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Lebanon: Prime Minister Karami has announced that the army will take up buffer zone positions between feuding Muslims and Christians.
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Israel-Lebanon: [Redacted] 25X1
(Page 3)

Portugal: The influx of refugees from Angola is straining government resources and already is changing the political equation. (Page 4)

Portugal-Azores: Gains by the anti-Communist forces on the mainland and improved prospects for local autonomy seem to have lessened the likelihood of armed rebellion in the islands.
(Page 5)

China: The factionalism among Chinese leaders now appears to include more direct opposition to Chairman Mao. (Page 6)

Notes: Egypt; USSR; USSR-Somalia; Portugal; USSR; Zaire-Angola; Laos (Pages 7, 8, and 9)

FOR THE PRESIDENT ONLY



FOR THE PRESIDENT ONLY

LEBANON

Prime Minister Rashid Karami announced last night that the 17,000-man Lebanese army will take up positions in a buffer zone to be created between Muslim and Christian strongholds in northern Lebanon. The zone will separate Tripoli district, which is 78 percent Sunni Muslim, from adjoining Zagharta district, which is 90 percent Maronite Christian.

The army will seek to avoid being drawn into the fighting by staying out of the metropolitan areas of Tripoli and Zagharta, where security will remain the responsibility of the internal security forces. The army, however, will "separate the combatants if fighting breaks out again." In reality, the fighting--although sharply reduced--has not yet stopped, and army units are sure to suffer some casualties while moving into position.

Use of the army, which Christians had advocated during three days of cabinet debate, was made possible by President Franjiyah's accedence to Karami's demand that the army commander, Iskandar Ghanim, be replaced. The new commander is General Hanna Said, formerly commander of a military region in eastern Lebanon.

Said, like Ghanim, is a Maronite Christian. He has generally supported centrist Christian and Muslim politicians who over the years, however, have been at odds with the more conservative Franjiyah and Interior Minister Shamun. His appointment thus represents a compromise between Christians and Muslims.

Karami announced that the cabinet had decided to use the army only after "contacts with the disputing parties." The Muslim and Christian factions that have been fighting in the Tripoli area probably were receptive to such a proposal. Both had suffered heavy casualties, and--because they had not been resupplied by the major fedayeen groups or the large Christian militias--were short of ammunition.

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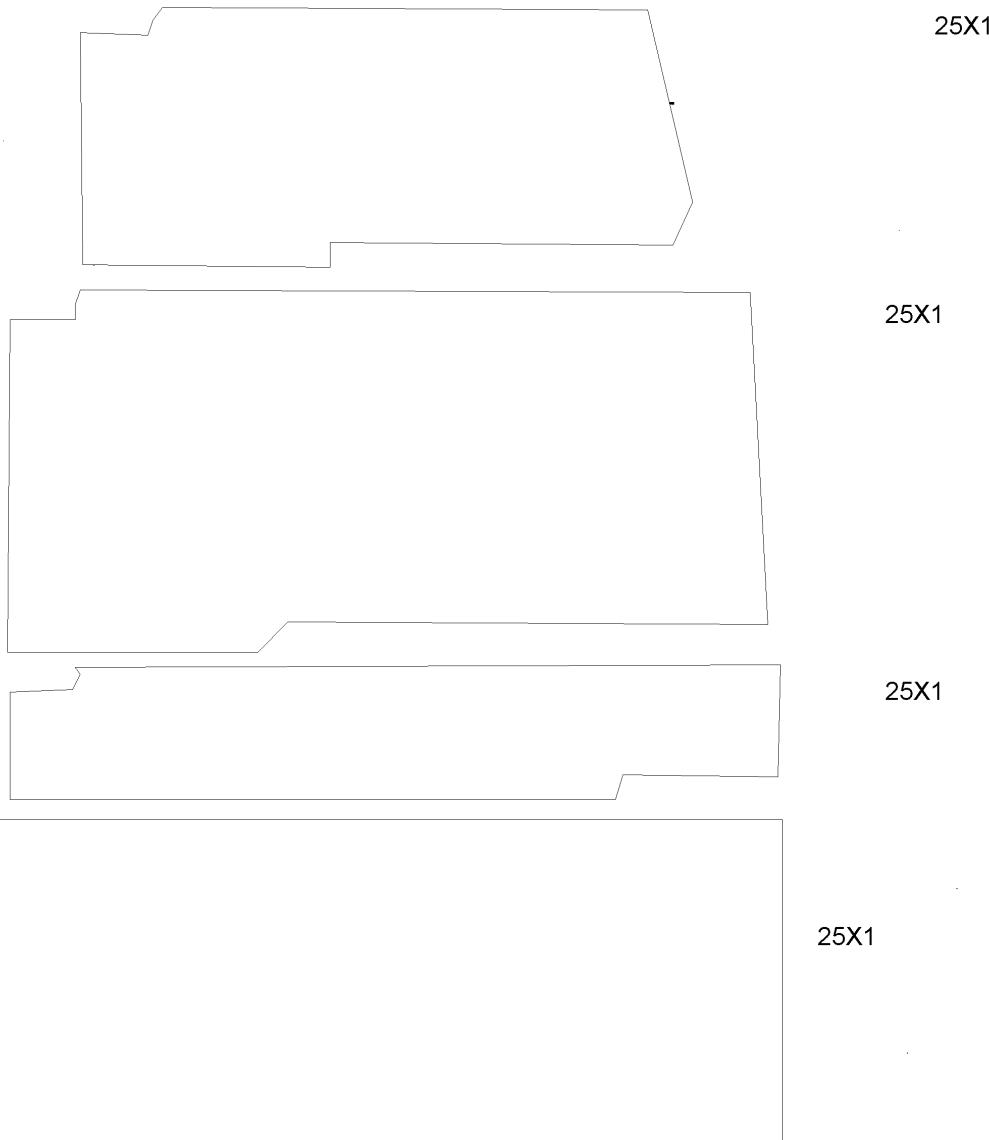
FOR THE PRESIDENT ONLY

According to the US embassy in Beirut, Karami yesterday also sought the acquiescence of Palestine Liberation Organization chairman Yasir Arafat. Arafat and leftist Lebanese leaders like Kamal Jumblatt probably will go through the motions of condemning Karami, but they are not likely to take up arms against the army. At present, even the major Palestinian and leftist leaders have an interest in avoiding more serious fighting in Lebanon.

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ISRAEL-LEBANON



FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

PORUGAL

The influx of refugees from Angola is straining government resources and is already changing the political equation. Only 75,000 of an expected 375,000 Portuguese have been repatriated so far. Despite the government's optimism about its ability to dispense assistance to the returnees, the mechanism is not keeping up with daily needs.

The refugees are bitter over financial losses and the disruption of their lives and generally blame pro-Communist elements in the government and military for their plight. Most of the refugees are originally from northern Portugal, where their problems and the sympathetic local response have further aggravated discontent in the region.

The refugees have begun to organize and have already demonstrated that they have fewer inhibitions about resorting to violence than their compatriots. Several rallies and demonstrations have erupted into violent confrontations with counter-demonstrators or security forces, and refugees participated in many of the attacks on Communist offices in the north.

In the short term, the returnees will support the anti-Communist faction within the military and the democratic parties. But unless these political groups can deal significantly with the refugees' problems of unemployment and related needs--and this seems doubtful--the returnees will become a volatile element in Portugal that will create further instability.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

PORUGAL-AZORES

Gains by the anti-Communist forces in Portugal, coupled with improved prospects for local autonomy, seem to have lessened the likelihood of an armed rebellion in the Azores.

Sources have told our consulate in the Azores that the Azorean Liberation Front missed a unique opportunity to move when pro-Communist former prime minister Vasco Goncalves was still in power. Now, not only has Goncalves been effectively removed, but local targets, such as the Communists and unpopular local officials, have been scattered and no longer represent a visible threat to Azorean aspirations.

The Azoreans' traditional discontent--such as their desire for greater autonomy, economic inequities between the islands and Portugal, and a lack of understanding of Azorean problems in Lisbon--can be substantially overcome if the recently formed governing junta, made up of prominent Azoreans, is allowed to function without undue mainland interference. The junta, headed by the locally popular and politically skillful military governor, General Altino de Magalhaes, has been asked to set up a new permanent government for the archipelago. It has been given a generous budget, which should effectively help to counteract charges of economic neglect.

General Magalhaes, who has just completed an inspection tour of the islands, said that most Azoreans on reflection now realize that independence would create serious problems. He also said that most of his troops no longer support a rupture. The general's assessment of the sentiment now opposed to independence may be exaggerated, but there is little doubt where he stands on the issue.

25X1

FOR THE PRESIDENT ONLY

CHINA

The factionalism among Chinese leaders now appears to include more direct opposition to Chairman Mao.

An article in China's second leading daily newspaper strongly suggests that some factions are using the current criticism of an ancient Chinese novel as a means of expressing their opposition to the Chairman. The article, published on August 30, seems to make a vigorous defense of Marshal Lin Piao, who fell from power after an abortive coup attempt in 1971, and is almost certain to be read in China as a call to oppose Mao.

Articles such as these suggest that the main protagonists in the criticism of the novel are Mao and some elements in the military. Since the fall of Lin Piao, Mao has been persistent in his efforts to purge several military men who, he apparently believes, were in league with Lin and harbor pro-Soviet tendencies. At least some of the articles may be an attempt by the military to stave off yet another move against them by the Chairman.

Mao's own view seems to be represented by a *People's Daily* editorial of September 4 that calls the criticism of the novel a study in "capitulationism" and makes specific reference to capitulating to the Soviet Union--a theme apparently aimed at the military.

FOR THE PRESIDENT ONLY

NOTES

The Voice of Palestine radio in Baghdad reported yesterday that Egyptian President Sadat escaped an assassination attempt in Alexandria within hours after he initialed the Egyptian-Israeli disengagement agreement last week.

The Palestinians, along with the Iraqis, often are the source of inaccurate reports on Egypt; either would be entirely capable of fabricating an assassination story to cause disquiet in Egypt. Sadat is prone to pour out his woes to our ambassador in Cairo, and probably he would have told him if such an attempt had been made. While we doubt the Baghdad story, we do think that Sadat now is a prime target for Arab terrorists.

25X1

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*The USSR, [redacted]
has bought 1 million tons of soybeans. [redacted]*

25X1

25X1

Moscow will use the soybeans to augment this year's poor harvest of feed grains and forage crops. The Soviets have made only one major purchase of soybeans before--1.2 million tons from the US in 1972. Soybeans can also be processed into vegetable oil, but the USSR will probably produce enough vegetable oil this year to meet domestic requirements.

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* * *

[redacted] Soviet [redacted]

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[redacted] Somalia [redacted]

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FOR THE PRESIDENT ONLY

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Portuguese Socialist leader Soares made a successful bid last week at the London meeting of West European Socialist leaders to get more financial support for his party from his Socialist colleagues.

In a reversal of their policy, the French Socialists now intend to begin an extensive program of assistance. The conferees agreed to encourage visits by key Portuguese political and military leaders and to organize "solidarity campaigns" in European countries. They also agreed with the EC position, however, that government assistance to Portugal should be withheld until there is clearer evidence that Lisbon is moving toward a democratic political system. [redacted]

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[redacted]
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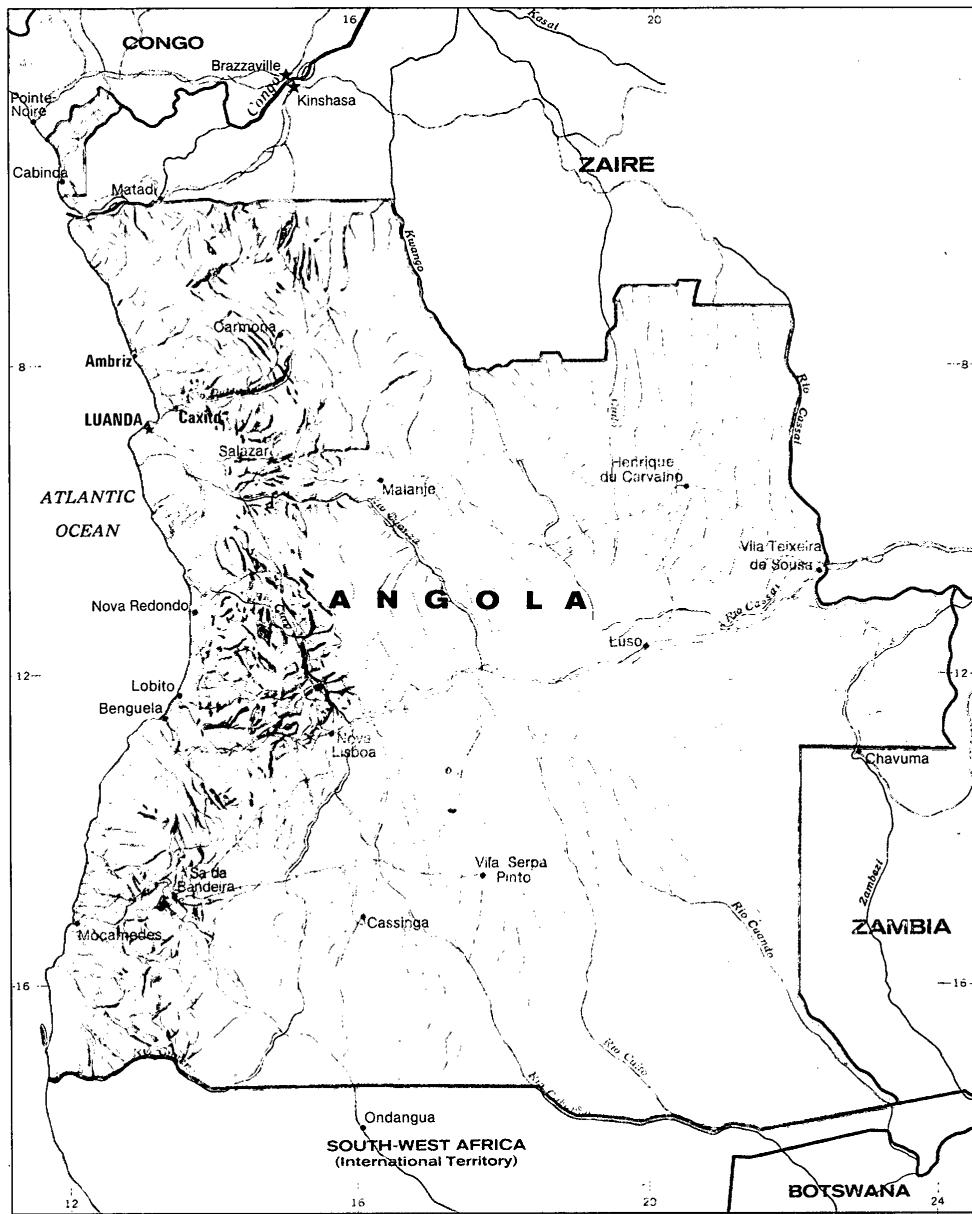
The Soviets are turning more and more to the Eurodollar market to finance a hard-currency trade deficit that could run as high as \$3 billion this year.

The First National City Bank of New York has agreed to arrange a five-year \$400-million Eurodollar financial credit for the Soviet Foreign Trade Bank. Other US banks also are likely to participate in the consortium loan, which will be the fourth time in the past ten months that Moscow has tapped the Eurodollar market. The \$800 million raised by these loans will reduce the pressure on Moscow to sell gold in a market depressed by the International Monetary Fund's decision to reduce its gold holdings. If the Soviets use the Eurodollar loans this year in addition to an estimated \$1.5 billion in net import credits, they will need to sell only \$700 million in gold to cover a \$3-billion deficit.

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FOR THE PRESIDENT ONLY

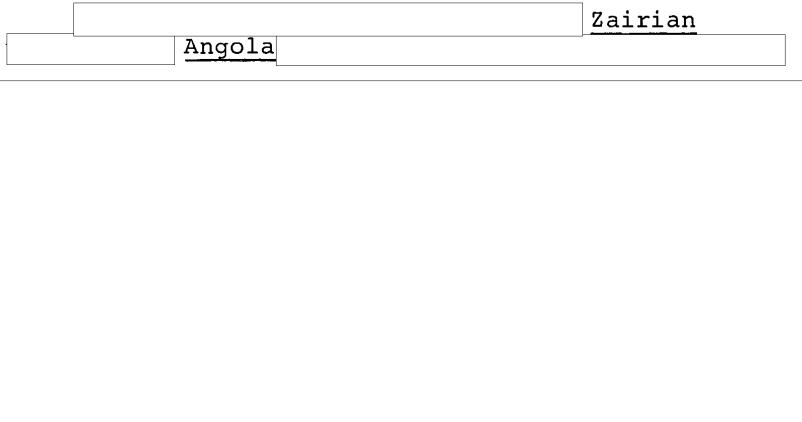


FOR THE PRESIDENT ONLY

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The Lao communists are accelerating pressure against Prime Minister Souvanna Phouma and King Savang, and it seems likely that both will be forced from office by early next year.

The Pathet Lao, until now, have treated the monarchy and Souvanna with circumspection. The communist-controlled government radio this week replayed a statement Souvanna recently made to a news correspondent to the effect that he would not join the government which would be formed after the "general elections" scheduled for April 1, 1976.

25X1

A large rectangular redaction box. Inside, at the top right, is the phrase "The communists". Below it, towards the bottom left, is the sentence "have also begun to whittle away at the privileges of King Savang."

25X1

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Top Secret



The President's Daily Brief

September 12, 1975

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Exempt from general
declassification schedule of E.O. 11652
exemption category, SR(1)(2),(3)
declassified only on approval of
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FOR THE PRESIDENT ONLY

September 12, 1975

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Egypt: Cairo is demonstrating its unwillingness to brook open opposition to the Sinai disengagement agreement. (Page 1)

Lebanon: The majority of Muslims and Christians appear to have welcomed army intervention in civil unrest. (Page 3)

Portugal: Government leaders are working to overcome the latest obstacle to the formation of a new government--Communist refusal to cooperate. (Page 4)

Notes: USSR-Egypt; USSR; USSR (Pages 5 and 6)

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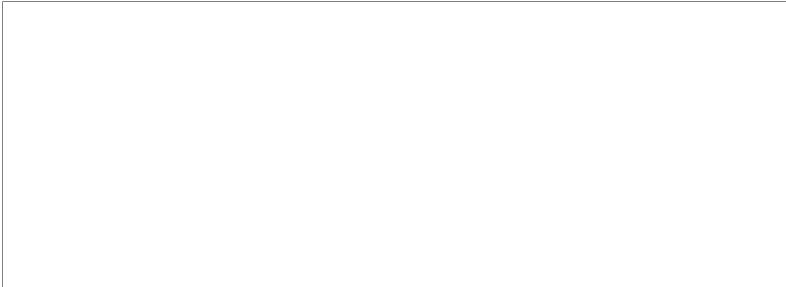
FOR THE PRESIDENT ONLY

EGYPT

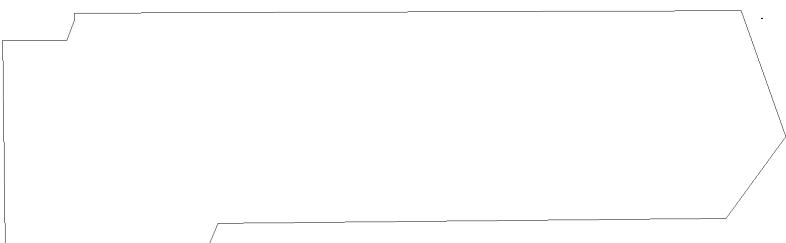
Cairo is demonstrating its unwillingness to brook open opposition to the Sinai disengagement agreement. Yesterday Egypt ordered the cessation of Voice of Palestine broadcasts from Cairo; earlier in the week Egypt threatened to recall its ambassador from Syria.

The Voice of Palestine is an autonomous Palestinian program that uses Egyptian broadcast facilities and is one of several similar programs broadcast at the sufferance of Arab governments. Egypt, angered by a spate of attacks on the Sinai accord included in the program, has replaced it with one that is broadcast on behalf of the Palestinians but with its content under Egyptian control. The Egyptian minister who failed to muzzle the Palestinians has been dismissed.

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FOR THE PRESIDENT ONLY

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Following President Sadat's lead, the Cairo press has ended its usual restraint toward Syria and is engaging in direct verbal battle. The media have been less harsh on the Palestinians, probably because Cairo is less surprised and less disturbed by Palestinian attacks.

FOR THE PRESIDENT ONLY



FOR THE PRESIDENT ONLY

LEBANON

Army units moved into position between Tripoli and Zaharta yesterday, effectively ending the fighting in northern Lebanon. A few leftist and Muslim politicians in Tripoli have criticized the cabinet's decision to bring in the army, but the majority of Muslims and Christians appear to have welcomed it.

The country's principal Muslim political leaders, who reside in Beirut and ordinarily oppose any use of the army for internal security purposes, have so far withheld comment. This is partly out of deference to Prime Minister Karami, who heads one important Sunni Muslim faction, but also reflects admiration for the concessions he has been able to wring from Lebanon's conservative Christian leaders.

According to press reports from Beirut, the cabinet yesterday approved a bill reorganizing the army to establish the "command council" proposed by Karami in a policy speech last month. Although no details have been made public, the council presumably would include representatives of Lebanon's major religious sects and have the final word on such matters as army deployments and promotions. Loss of these prerogatives would reduce significantly the power of the army commander, who by custom is always a Maronite Christian.

Proposals to reorganize the army have in the past run into strong opposition from Christian groups in parliament. Karami's position has been strengthened considerably by his handling of the current crisis, however, and his proposals now may win greater backing from centrist Christian politicians hoping to avoid another round of violence.

Lebanese and Palestinian radicals backed by Iraq have called for a general strike on Monday to protest deployment of the army. Their call is not likely to be heeded unless the continuing cabinet talks on army reform break down.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

PORtUGAL

President Costa Gomes and his prospective prime minister, Admiral Azevedo, are working to overcome the latest obstacle to forming a new government--a Communist refusal to cooperate.

Military leaders want the Communist, Socialist, and Popular Democratic parties to join in the formation of a "national unity" government. The Socialists and Popular Democrats have agreed with the military on the terms under which they would participate, but the Communists are balking in an apparent effort to get better terms for themselves.

25X1

On the Atlantic island of Madeira, meanwhile, a serious threat to Lisbon's authority seems to be gathering steam. On Wednesday, the pro-independence forces there threatened to expel all those opposed to independence. The list of potential expellees includes the chief of staff of the Portuguese forces in Madeira, all continental officers stationed there, and all members of the Communist Party.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

NOTES

Ambassador Eilts in Cairo has heard [redacted] the Soviet Union will be withdrawing its four MIG-25 aircraft from Egypt in the next day or so.

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25X1

[redacted] In view of the new strains in Soviet-Egyptian relations, Moscow may have decided that this is the time to pull the planes out.

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* * *

The Soviets are searching for a new test site

25X1

The Threshold Test Ban Treaty, due to become effective March 31, 1976, will require each side to designate the test sites to be used after the effective date and to give calibration yields and geological data for each site selected. If the Soviets were to continue testing at present sites, they would be obligated to give calibration yields and geological data for these sites.

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FOR THE PRESIDENT ONLY

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* * *

The Soviets are implying that our development of new cruise missiles is an effort to circumvent the spirit of the SALT I Interim Agreement.

Wednesday's issue of *Red Star*, the Soviet military daily, described how US attack submarines could be equipped with strategic cruise missiles, in effect, circumventing the SALT I limitation restricting the US submarine-launched ballistic missiles to 41 submarines. The Interim Agreement says nothing about cruise missiles. The *Red Star* article is significant for its revelation of concern in the Soviet military over how to monitor cruise missiles on submarines. It may imply resistance within the Soviet military to any SALT II agreement that fails to limit US naval strategic cruise missiles.

FOR THE PRESIDENT ONLY

Top Secret



The President's Daily Brief

September 13, 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

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	(Page 3)	
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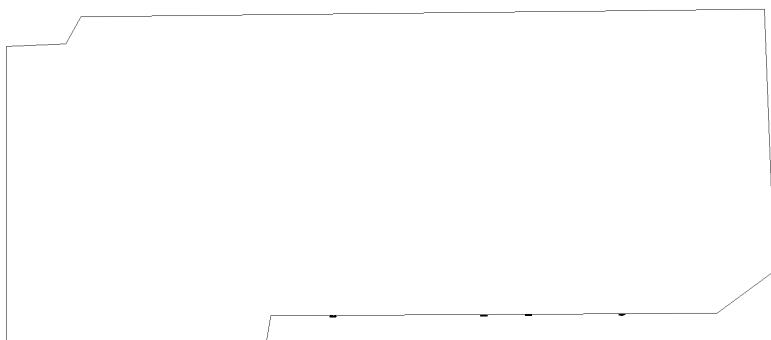
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FOR THE PRESIDENT ONLY

WEST GERMANY - US



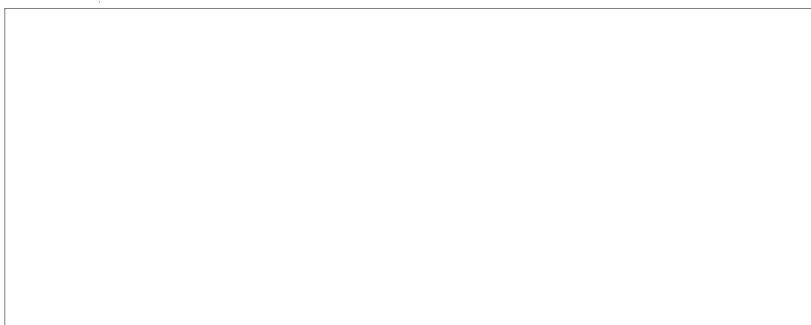
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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

PERSIAN GULF

The new Egyptian-Israeli disengagement agreement is getting a cool reception from the Arab states of the Persian Gulf.

Despite Saudi Arabia's supportive public comments on the accord, some Saudi officials are privately discouraged about future prospects for peace in the area and are chiding the US about the limited nature of the agreement. In separate conversations with Ambassador Akins last week, both royal adviser Rashid Pharaon and Foreign Minister Saud Ibn Faysal took the line that another war is inevitable, their argument being that the US will not put enough pressure on Israel to bring about withdrawals from the West Bank or the Golan Heights.

Pharaon asserted the US has armed Tel Aviv so heavily since 1973 that Israel's victory would be overwhelming in any war fought today. The interim agreement, he said, has bought time for the Arabs, and they must use the next few years to prepare for war; Saudi Arabia will foot the bill for Egypt and will assist Syria and Jordan to rearm. If war breaks out between Syria and Israel in the meantime, Pharaon stressed, no one should doubt that Saudi Arabia will help Syria "with all of its capabilities"--and Egypt will have no choice but to follow.

While the governments of the small Gulf states are carefully avoiding taking sides, a coalition of Palestinian and leftist organizations in Kuwait is trying to whip up sentiment against the disengagement agreement. Critics of the accord drew 10,000 people to a rally this week, during which speakers called on Arab masses to join in a general strike on September 15. The Kuwaiti press, heavily staffed with Palestinians, is predictably coming down strongly against the agreement.

25X1

[redacted] Baghdad aimed its heaviest propaganda volleys at the Syrians. The Iraqi press equated Damascus' position with that of Cairo and charged that the "devious" Syrians, in spite of their criticism of President Sadat, are themselves conspiring to entangle the Palestinians in the step-by-step approach to a settlement.

25X1

FOR THE PRESIDENT ONLY

SYRIA-ISRAEL



FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

PORUGAL

Progress seems to have been made toward the formation of a new cabinet. The politicians appear to have been spurred to greater cooperation in part by what they regard as a threat from the political right.

The Revolutionary Council issued a communiqué yesterday expressing approval of Admiral Azevedo's efforts to put together a cabinet of military officers, Popular Democrats, Socialists, and Communists. After balking for some days, the Communists are now said to have agreed to let members of their party join the cabinet. Announcement of the cabinet could come as early as today.

Concern in Lisbon about a threat from the right is sparked mainly by the recent activities of former president Spinola. He arrived in Paris from Brazil last week and has reportedly been meeting with other exiles to discuss the situation in Portugal and to assess strategy.

25X1
25X1



Northern Portugal is fertile ground for anti-government activity. Months of political and economic turmoil have left the public restive. Disgruntled refugees from Angola are adding to the potential for active opposition to the government.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

CYPRUS-UN

The failure of the intercommunal talks in New York this week has led the Greek Cypriots to take their case to the UN General Assembly.

The Greek Cypriots have been encouraged to take this step by the strong support they received at the recent Nonaligned Conference in Lima.

25X1
25X1

President Makarios will come to the US later this month to lead the Greek Cypriot delegation, although Greek Cypriot negotiator Clerides told one of our officials this week that a UN debate on Cyprus would probably not take place until after the Turkish Senate election on October 12. This would give the Turks time to submit proposals on the territorial question. Clerides cautioned that a mere promise by the Turks to discuss territory would not suffice for the Greek Cypriot side to agree to another round of talks.

The impasse in the talks may prompt the EC Nine, which earlier this summer offered to mediate the dispute, to take the initiative in trying to avert an acrimonious debate in the UN. The Turks generally have been cool to an EC role in the dispute, but the prospect of heading off a debate in the General Assembly could make them more receptive.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY**NOTES**

Two American servicemen are reported missing in Ethiopia after an attack early this morning on a US communications facility near Asmara, presumably by Eritrean insurgents.

Asmara has been tense in anticipation of attempts by the insurgents to disrupt the observances today marking the first anniversary of Haile Selassie's ouster. The insurgents still hold two US civilians captured in Asmara last July.

* * *

Recent satellite photography of Syria shows a Scud surface-to-surface missile exercise in progress at a training area some 20 miles northeast of Damascus. This is the first time a Scud exercise has been observed in the country.

Scuds were first reported in Syria nearly two years ago, but photographic confirmation of their presence was not obtained until late May. Syria is believed to have received enough equipment from the USSR to organize at least one Scud brigade of nine missile launchers. The Scud has a range of about 160 nautical miles and could cover virtually all of Israel from southern Syria.

* * *

A Philippine bid to abolish not only the Southeast Asian Treaty Organization but also the underlying Manila Pact of 1954 has complicated planning for the organization's annual council meeting to be held in New York on September 24.

In the working group preparing for the council session, the Philippines has proposed termination of the Manila Pact when SEATO is phased out as a formal organization in two years. Thailand, however, wishes to retain the Manila Pact because, unlike the Philippines, Bangkok has no bilateral security treaty with the US.

25X1

[redacted]
Philippine Foreign Secretary Romulo appears to be behind the change in the Philippine position, arguing that the pact is outdated and a gratuitous provocation to Asian communists. The Thai will take the lead in trying to get Manila to moderate its stand before the New York meeting.

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September 15, 1975

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Exempt from general
declassification schedule of E.O. 11652
exemption category, 5B(1)(2),(3)
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USSR: The Soviet grain harvest is two thirds complete, and we still estimate that it will total 170 million metric tons, making the difference between supply and requirements 27 to 32 million tons. (Page 1)

Cyprus: Turkish Cypriot leader Denktash, reacting to President Makarios' decision to take the Cyprus issue to the UN General Assembly, has threatened to declare independence for the Turkish-controlled northern sector of the island. (Page 3)

Portugal: Prime Minister - designate Azevedo announced his new government's program on Saturday, but differences among the politicians over the composition of the cabinet still must be overcome. (Page 4)

Notes: Ethiopia; USSR; USSR-Egypt (Page 5)

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

USSR

The Soviet grain harvest is two thirds complete, and we still estimate that it will total 170 million metric tons, making the difference between supply and requirements 27 to 32 million tons.

The production of all grains this year will be far short of normal needs, which we estimate to be about 220 million tons. An additional 13 million tons of feedgrains may be required to offset unusually large losses of hay and other forage crops which normally supply about two thirds of the country's livestock feed. The lost forage, added to the normal grain requirements, bring the total need for fiscal 1976 to roughly 233 million tons.

25X1

These figures reflect official Soviet measures of grain production and usage, which have ranged about 8 percent above the world standard basis measure. This would mean that the Soviets' requirements probably are roughly 58 million tons more than the expected harvest.

So far during fiscal 1976, the USSR has contracted for about 16 million tons of foreign grain. In addition, Moscow undoubtedly will draw on its stocks, which we believe do not exceed 10 to 15 million tons--perhaps considerably less. This will narrow the difference between expected supply and requirements to a minimal range of 27 to 32 million tons.

The Soviets will have to make up the difference by attempting to buy additional grain from Western producers, importing soybeans to stretch feed supplies, reducing feed rations per animal, and increasing slaughter of livestock.

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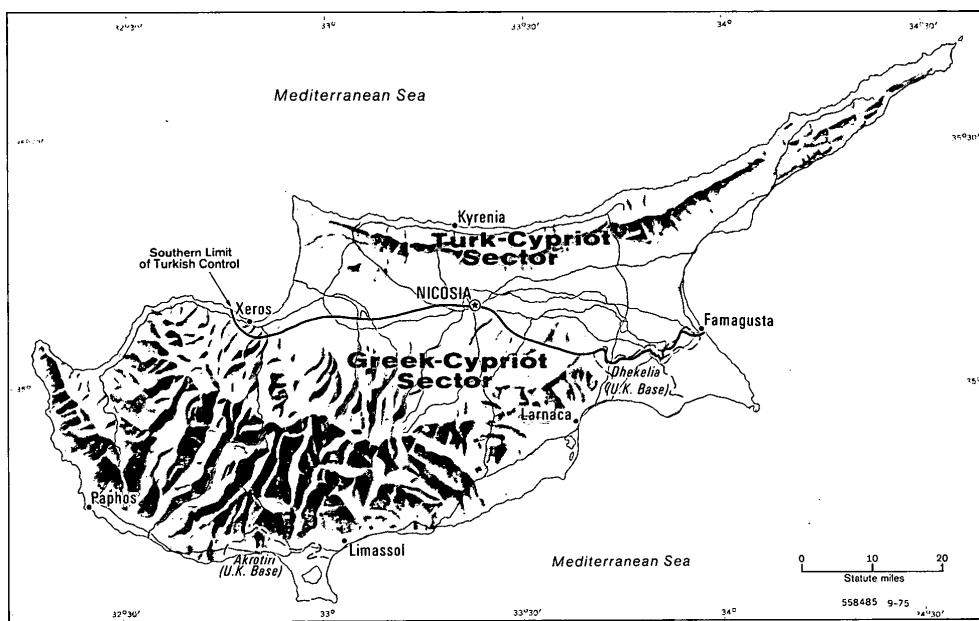
The Soviets [redacted] have bought 1 million
tons of soybeans. [redacted]

25X1

25X1

Moscow will use the soybeans to augment this year's poor harvest of feedgrains and forage crops. The Soviets have made only one major purchase of soybeans before--1.2 million tons from the US in 1972. Soybeans can also be processed into vegetable oil, but the USSR will probably produce enough vegetable oil this year to meet domestic requirements.

FOR THE PRESIDENT ONLY



FOR THE PRESIDENT ONLY

CYPRUS

Turkish Cypriot leader Denktash, reacting to President Makarios' decision last week to take the Cyprus issue to the UN General Assembly, has threatened to declare independence for the Turkish-controlled northern sector of the island.

After meeting with Turkish Prime Minister Demirel on Saturday, Denktash said he would ask the Turkish Cypriot constituent assembly for authority to declare independence. Such a declaration, he said, would be made if he did not have equal billing with Makarios at the UN and the Greek Cypriots did not agree to resume the stalled inter-communal talks. Ankara would likely oppose a declaration of independence at this time, but a senior Turkish official has been quoted as saying Turkey would respect a decision of the Turkish Cypriot constituent assembly.

A reported alert of Turkish Cypriot forces last week also may be intended to put pressure on the Greek side,

25X1

Meanwhile, Greek Foreign Minister Bitsios told Ambassador Kubisch that he had reports the Turks were prepared to begin settling Varosha--the Greek sector of Famagusta that has been controlled by Turks since the fighting in 1974. This has been one of the areas thought negotiable in any territorial settlement, and one the Greek side would probably insist on having returned. A UN observer in the area has reported that up to 3,000 Turkish Cypriots may have moved into the area so far.

Bitsios has told Ambassador Kubisch that he doubts the Turks will be any more forthcoming after the Turkish senatorial election October 12. He scoffed at the idea that lifting the arms embargo would facilitate any movement on the Cyprus question. The Greek foreign minister particularly objected to NATO Secretary General Luns' implication that the Greeks supported his recent mission to Washington to lobby for lifting the embargo.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

PORtUGAL

Prime Minister - designate Azevedo announced his new government's program on Saturday to clear one obstacle, but differences among the politicians over the composition of the cabinet still must be overcome.

Azevedo announced that Major Melo Antunes will be the new foreign minister. He will not name the rest of the cabinet until sometime later this week because the Communists still are trying to obtain greater representation than either the Socialists or Popular Democrats are willing to allow. Antunes' appointment indicates, however, that some of the Communists' objections have been surmounted.

The government program announced by Azevedo is in general accord with previous demands by the Socialist Party. He indicated that democratic pluralism will prevail in the state-controlled media and in the labor movement. He also said that local elections will be held "within a reasonable period of time," and guaranteed the functioning of the constituent assembly, which is drafting a constitution.

Azevedo left no doubt that the goals of his government would be to advance toward socialism and to defend those "revolutionary" gains already made. He assured his listeners, however, that the advance would be made with full respect for democratic freedoms. He called for a restoration of order and discipline in the armed forces and mentioned a crackdown on armed civilian groups.

The prime minister - designate gave lip service to the idea of freeing Portugal from foreign economic domination. He also mentioned, however, that he would seek closer economic relations with Western Europe. The naming of Antunes as foreign minister is a step toward improving relations with Western Europe and an indication that the new government will seek economic assistance from the EC. The EC Commission's working group on Portugal is scheduled to resume meetings today. The Commission is hopeful that the EC foreign ministers will agree to its recommendations for aid to Portugal at their October 6-7 meeting.

Former president Spinola, who reportedly was meeting with other exiles in Paris last week, has returned to Brazil.

FOR THE PRESIDENT ONLY

NOTES

The president of Ethiopia's military council, General Teferi Benti, said at a press conference yesterday that the US communications installation in Asmara, part of which was severely damaged by Eritrean insurgents over the weekend, would be closed down by the end of the year.

His statement left some confusion as to whether the facility would cease to operate or would operate on a more restricted basis. The remark was in line with a government statement to the UN last year, however, that the installation would be shut down-- a statement made to promote an Ethiopian image of nonalignment. The two Americans and six Ethiopians who were manning the part of the installation that was attacked are still missing. Repairs to the site cannot be completed for at least a month.

* * *

There have been some signs that Soviet chief of staff Kulikov is interested in arranging a trip to the US. The idea might be raised when he sees [redacted] later this month.

25X1

Many foreign observers believe that Kulikov is likely to replace 70-year-old Marshal Grechko, when the latter leaves his post as minister of defense.

[redacted] believes that Kulikov has made some effort to prepare himself for moving into Grechko's slot. Kulikov has placed loyal officers in key military positions and has been increasing his exposure by more travel and contacts with foreigners.

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* * *

The Soviets apparently are removing their MIG-25 reconnaissance aircraft from Egypt.

One AN-22 heavy transport, the type of aircraft used to deliver the MIG-25s to Egypt, arrived in Cairo on Saturday and remained overnight before returning to the USSR. Additional AN-22 flights were scheduled for yesterday and today. These flights most likely are associated with the withdrawal of the MIG-25s.

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The President's Daily Brief

September 16, 1975

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declassification schedule of E.O. 11652
exemption category 5B(1),(2),(3)
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FOR THE PRESIDENT ONLY

September 16, 1975

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Lebanon: Prime Minister Karami has won the support of all major Lebanese and Palestinian leaders for his decision to use the army to contain violence. (Page 1)

Fedayeen: The terrorists who seized the Egyptian embassy in Madrid yesterday apparently created a special group for the operation. (Page 3)

Portugal: Right-wing groups that support former president Spinola reportedly are planning a show of strength this weekend in northern Portugal. (Page 5)

Notes: USSR; Syria; Turkey-Libya; Chile (Pages 6 and 7)

FOR THE PRESIDENT ONLY



FOR THE PRESIDENT ONLY

LEBANON

Prime Minister Rashid Karami has won the support of all major Lebanese and Palestinian leaders for his decision to use the army to contain violence. Sporadic and sometimes intense fighting has continued during the past few days in Beirut, Tripoli, and the northern town of Bayt Millit, but it has not sparked a resumption of widespread clashes between Christians and Muslims.

The most serious incident occurred early yesterday morning, when 12 members of the radical "October 24 Movement" were killed in a firefight at an army roadblock south of Tripoli. This was the first time the army had become directly involved in the fighting.

There are now approximately 2,000 army troops performing internal security functions in northern Lebanon. Fatah officials [redacted] have acceded to the request of Minister of Interior Shamun that Palestinian police units that have been assisting Lebanese internal security forces remain in place to help newly arrived army units.

25X1

Lebanese leftists, who in the past have often received fedayeen backing, have been hurt by the decision of the principal commando leaders to back Karami. Zuhayr Muhsin, chief of Saiga, has made the most forceful statement in support of the Prime Minister, but high-level Fatah officials joined him late last week in trying to convince Lebanese and Palestinian leftists to lay down their arms.

Fatah leaders, including Yasir Arafat [redacted]
 [redacted] are impressed with the performance of both
 Karami and Shamun [redacted]

[redacted] Leaders of Lebanon's
 disadvantaged Shia Muslim community, who sometimes
 cooperate with the Lebanese leftists, have spoken
 out on Karami's behalf. They have been joined by
 Muslim and Christian political leaders, by leaders
 of the large Sunni Muslim sect, and by the Maronite
 Christian patriarch.

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

This combination of support suggests that Lebanese political and security officials are succeeding--for the moment, at least--in their strategy of gradually transforming the character of the fighting in Lebanon from a Christian-Muslim dispute to one between moderates and leftists. The government believes that if it can retain the support or neutrality of the major political and religious groups, it will be able to contain the Lebanese leftists and the fedayeen rejectionists.

FOR THE PRESIDENT ONLY

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FEDAYEEN

The fedayeen who seized the Egyptian embassy in Madrid yesterday apparently created a special group for this operation. The unit, named "Martyr Abd al-Qadir al-Husayni" after a Palestinian hero killed by Israeli forces in 1948, has not been seen before.

All the fedayeen groups that engage in international terrorism have followed this practice, but it has been favored most by terrorists who leave the major commando groups to operate more or less independently with Libyan or Iraqi support.

[redacted] 25X1
[redacted] 25X1

[redacted] the terrorists may belong to the Libyan-supported Popular Front for the Liberation of Palestine - General Command.

25X1

Leaders of all the fedayeen groups are angry with Egypt's President Sadat for agreeing to a second Egyptian-Israeli interim agreement without securing any concessions for the Palestinians. Emboldened by Syria's harsh criticism of the accord, even the normally moderate Saqiya group-- which is controlled by Damascus--attempted a terrorist operation in the Netherlands early this month.

[redacted] 25X1
[redacted] 25X1

Yasir Arafat, chief of the Palestine Liberation Organization and of Fatah, has been careful not to burn his bridges to Egypt by endorsing personal attacks on Sadat, despite the political necessity of his joining in the Palestinian criticism. Arafat [redacted] was [redacted] urgently seeking some opening to negotiations with the US.

25X1

(continued)

FOR THE PRESIDENT ONLY

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Although it is thus unlikely that Arafat is behind the operation in Madrid, Fatah's terrorist arm, the Black September Organization, might be involved without his knowledge.

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25X1

The Egyptians will not allow this incident to upset the second Sinai pact or interfere with future negotiations. The attack on the Egyptian embassy will, nevertheless, further sour Cairo's relations with the PLO. Sadat condemned the Palestinians in a speech yesterday; representatives of several fedayeen groups have in turn denounced Cairo's indictment of "Arafat, the PLO, and all Palestinians" as unnecessarily harsh.

FOR THE PRESIDENT ONLY

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PORUGAL

Right-wing groups that support former president Spinola reportedly are planning a show of strength this weekend in northern Portugal.

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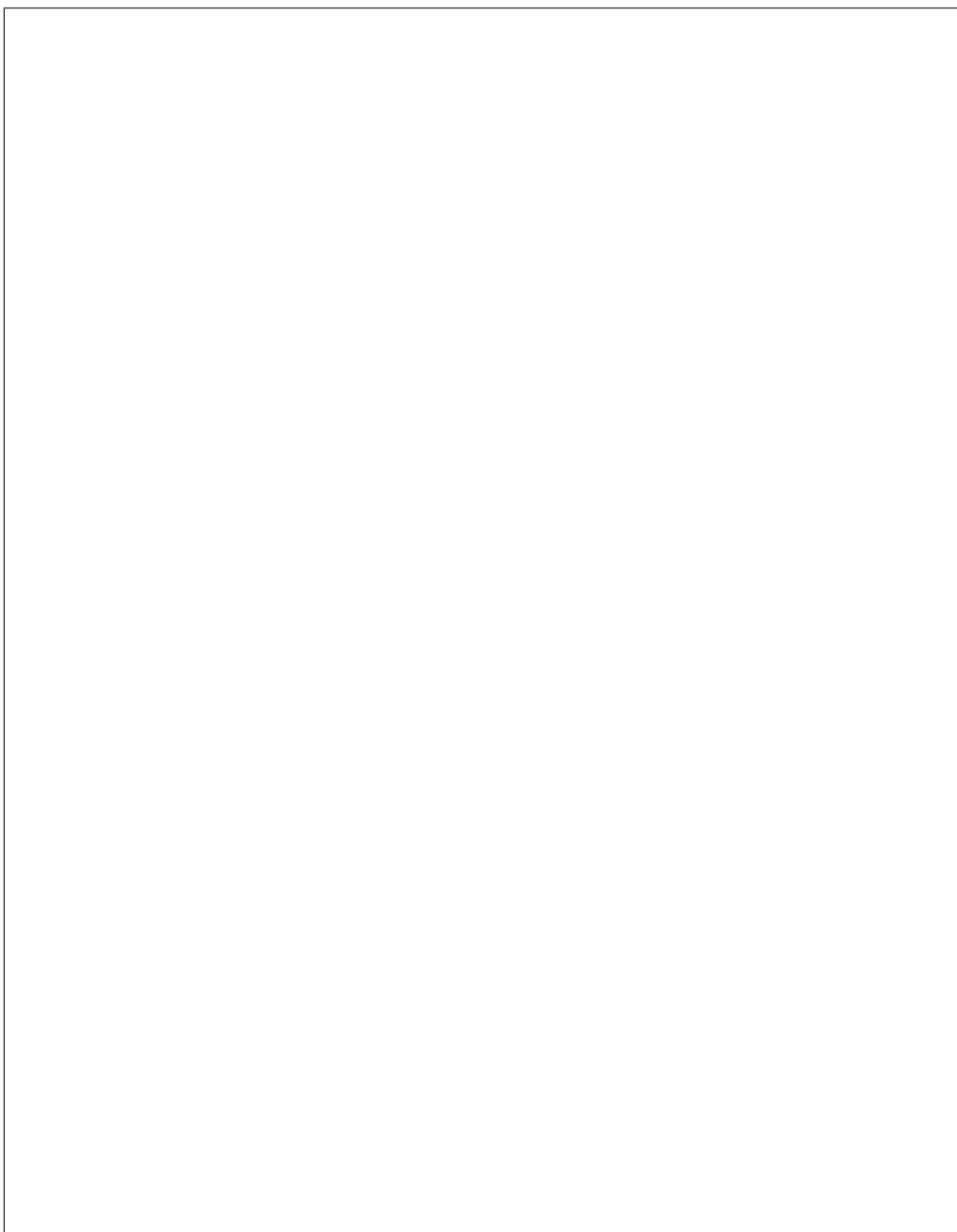
The US defense attaché in Madrid has learned of another plot by several hundred exiles in Spain who are not supporters of Spinola. The attaché's source claims they have ambitious plans to use force against the Lisbon government in late September or early October. Initially the exiles may have in mind nothing more than cross-border operations. Should they undertake such action, they might be able to take advantage of anti-Communist sentiment in the north and establish an operational base there.

Exiles are suspected of bombing a radio station in northwestern Portugal on Sunday night and may have been involved in an attempt to take over a station near Porto the same evening.

FOR THE PRESIDENT ONLY

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FOR THE PRESIDENT ONLY

NOTES

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Soviet

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* * *

Syrian President Asad raised the possibility of unilateral military action to spur negotiations with Israel during a [redacted] session with Newsweek editor Arnaud de Borchgrave.

25X1

Asad said Syria's purpose in reopening hostilities would be to provoke an international crisis and an oil embargo. Asad's remarks to De Borchgrave, [redacted] are an obvious effort to signal Washington that it may be making a serious miscalculation of Syrian patience if it allows Israel to drag its feet on negotiations over the Golan Heights. Previously, Syrian officials have told the US embassy in Damascus that official criticism of the recent Sinai agreement is as much an effort to disarm internal and external Arab critics as an expression of genuine Syrian unhappiness. By using De Borchgrave to convey his concern, Asad is aiming at both Washington and Tel Aviv and is attempting to lend greater urgency to his insistence on negotiations.

25X1

(Continued)

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* * *

Turkey has received a gift of seven US-built F-5 fighters from Libya.

Libya has previously violated contracts covering sales of US-built military equipment, which call for US approval of any transfer of the equipment to another country. The aircraft, apparently piloted by Turkish crews, arrived at Murted airfield near Ankara on Friday. They are said to be older models, which the Turks are likely to cannibalize for badly needed spare parts. Several weeks ago,

[redacted] that were not operable because of the lack of spare parts. The standdown of these ten reflected a loss of nearly one third of the base's operational aircraft.

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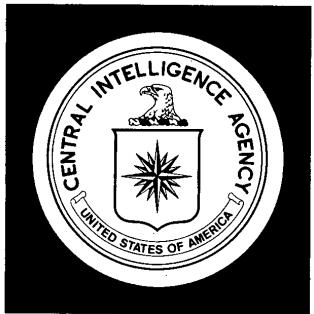
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Chile's military regime celebrated its second anniversary last week with a mass rally in downtown Santiago. The turnout, estimated to be as many as 300,000 persons, was larger and more enthusiastic than regime supporters had anticipated.

The evident sympathy for the government among middle and lower class citizens implied by the impressive turnout can be expected to encourage President Pinochet's belief that the junta has chosen the correct path for his country. In an apparent effort to mollify his critics, however, Pinochet following the rally ordered a dozen former cabinet ministers and senior officials of the Allende administration released from prison. Five Christian Democrats, recently arrested for "clandestine political activities," also were given their freedom.

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Top Secret



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~~Top Secret 25X1~~

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

FOR THE PRESIDENT ONLY

USSR - MIDDLE EAST

The Soviets privately have given the new Sinai disengagement agreement a mixed review. Their comments suggest, however, that they are more concerned about staking out a role for themselves in new Middle East negotiations than blocking the accord.

The deputy head of the Soviet Foreign Ministry's Arab-Israeli office, Yevgeny Pyrlin, told [redacted] last week that although the agreement kept the guns silent and led to a small Israeli withdrawal, it had its faults--the main one being the introduction of US personnel into the Sinai. He also criticized the failure of the agreement to deal with the question of a broad Arab-Israeli settlement. With an eye on Secretary Kissinger's meeting with Foreign Minister Gromyko on Thursday, the Soviet official said the USSR would not take a definite position on UN policing of the agreement until Moscow got a clearer reading of US intentions on the question.

25X1

Last Friday in Washington, another Soviet diplomat raised the threat of Soviet obstructionism more directly. He contended the UN Emergency Force was no longer needed in the Sinai because the Egyptian-Israeli agreement amounted to a peace treaty of indefinite duration. Such bluster, of which we may hear more, seems more an effort to impress the US with the need to take the USSR's interests into account in the future than a portent of a Soviet veto. Comments by the Soviets seem to imply that they will find it easier to swallow UN policing of the agreement if Moscow is not called on to endorse the agreement directly or to accept formally the idea of a separate US presence in the Sinai.

Pyrlin's comments suggest that at this juncture Moscow's real concern is to nail down a role for itself in subsequent negotiations, particularly regarding the Golan Heights. Pyrlin indicated that a Golan disengagement could be a plus if it were explicitly billed as an aspect of a total settlement, if Moscow participated in its negotiation, and if it offered something to the Palestinians.

(continued)

FOR THE PRESIDENT ONLY

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The Soviet was notably flexible on the question of a format for future talks. After noting the problems blocking a formal reconvening of the Geneva conference, he said that until these problems were resolved, negotiations could still proceed so long as they involved all the Geneva parties. The Soviets are calling this plan the "step-by-step within the Geneva framework."

FOR THE PRESIDENT ONLY

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LEBANON

The security situation took a turn for the worse yesterday as leftist Muslims seized more police posts in Tripoli and fighting spread in Beirut.

25X1
25X1

One of the most significant developments of the past few days has been the emergence of PLO leader Yasir Arafat as an acknowledged power in Lebanese domestic politics while President Franjiyah has been almost totally eclipsed.

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Former prime minister Saib Salam, a Beirut Muslim leader, left yesterday for Damascus to seek help from Syria in ending the fighting.

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NOTES

North Vietnam [redacted] has sold six to eight
US C-130 cargo aircraft to Libya.

25X1

[redacted]
[redacted] At least ten serviceable C-130 transports
were left in the South when Saigon fell last April.
The aircraft will supplement Libya's fleet of eight
C-130s supplied by the US several years ago. This
is the first evidence that Hanoi has sold captured
US equipment.

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Kuwait, [redacted]
[redacted] has agreed to buy two squadrons of MIG-23
jet fighters from the USSR for Syria.

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Moscow probably will agree to this sale, worth
an estimated \$100 million. Since the Middle East
war in October 1973, the USSR has provided Syria
with more than \$1 billion of arms, some of which
were paid for by other Arab states, including Kuwait.
Two squadrons of MIG-23s would add about 24 of the
aircraft to the 36 Syria now has. This military
purchase would bring Kuwait's financial support for
Syria since the outbreak of Arab-Israeli hostilities
in 1973 to \$1 billion.

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Soviets [redacted]

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declassification schedule of E.O. 11652
exemption category 5B(1),(2),(3)
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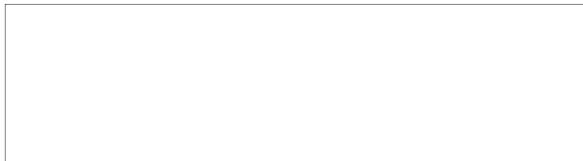
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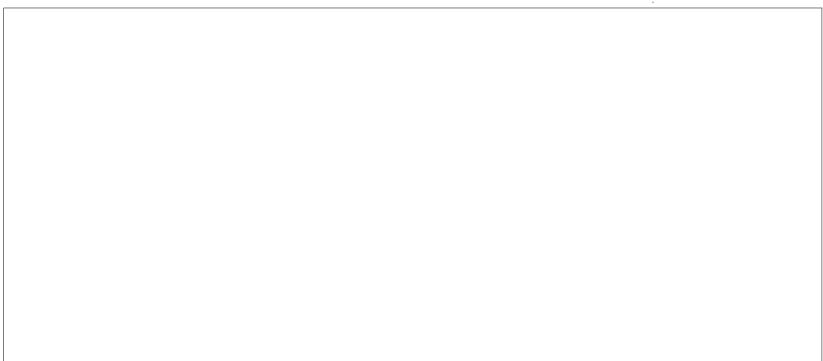
EGYPT-ISRAEL



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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

JORDAN-SYRIA

King Husayn early this week flatly denied any Jordanian intention of participating in a war started by Syria. The occasion was a conversation with Newsweek editor Arnaud de Borchgrave. The latter had quoted to Husayn Syrian President Asad's statement from his Newsweek interview that "Jordan and Syria might have to resort to hostilities to liberate our land."

De Borchgrave's impressions following an interview with both Husayn and Prime Minister Rifai tend to confirm reporting by our embassy in Amman that Rifai is the chief advocate of closer relations with Syria. The King is inclined to approach ties with Damascus more cautiously. The embassy speculates that Asad's remarks about renewed conflict may temper even Rifai's enthusiasm.

Husayn is unlikely, however, to halt his cautious rapprochement with Syria. A recent embassy assessment states that Jordan's policy of relations between the two countries is governed primarily by short-term policy considerations. These include a desire for greater security on both the Syrian and Jordanian fronts, a larger voice in Arab-Israeli negotiations, improved credentials among the other Arab states, and a lessening of tensions with the PLO.

The Jordanians, according to the embassy, believe Asad is a uniquely reasonable Syrian leader--compared with potential successors--with whom they can do business. They feel the policy of rapprochement provides Amman an opportunity to diminish any potential Syrian military threat to Jordan. Although the King is aware of Jordan's inability to repel an Israeli military strike at Syria through northern Jordan, he apparently believes that an improved Jordanian military position--resulting from cooperation with Syria--would act as a deterrent to any Israeli action.

Both Syria and Jordan, fearful that the new Sinai accord has diminished Arab negotiating strength, hope the rapprochement will increase their political weight in the Arab-Israeli negotiating context.

FOR THE PRESIDENT ONLY

INTERNATIONAL OIL DEVELOPMENTS

We hold to our estimate that the price increase by the Organization of Petroleum Exporting Countries will be within the range of 10 to 15 percent. The positions of major countries attending the OPEC meeting next week range between those of Iran and Algeria, calling for a boost of 15 to 20 percent, and that of Saudi Arabia, apparently favoring continuation of the current price freeze.

The Shah of Iran has continued to push for a 15- to 20-percent price rise, asserting that OPEC members have lost 30 to 35 percent of their purchasing power to inflation. Saudi Arabia, concerned about the impact that another oil price rise will have on the Western economies and perhaps influenced by the second Sinai accord, surprised other cartel members in August by calling for a continuation of the OPEC price freeze until next January.

It appears that most other members, including Venezuela and Kuwait, will support a price increase in the neighborhood of 10 to 15 percent.

The ministers may try to make the increase more palatable to Saudi Arabia by implementing it in stages. A partial increase of 5 to 10 percent could be applied in October, with a second price hike effective in January.

We do not believe the Saudis would risk damaging the cartel by vetoing such an increase. They are likely to maintain publicly their position on a price freeze and then abstain from voting on an increase. Saudi Arabia has done this in the past to register its displeasure with price hikes. Even if it abstains, Riyadh will undoubtedly apply the OPEC increase to its own oil.

FOR THE PRESIDENT ONLY

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LEBANON

Armed clashes apparently became worse in Beirut overnight; the government has warned inhabitants to stay indoors. The fighting is especially intense in the southeastern part of the city where a Muslim suburb abuts a Christian area controlled by the right-wing Phalanges Party.

The Phalangists, who were heavily involved in the fighting last June, have threatened to step in again if the government--from which they are excluded--does not call the army into Beirut. So far, the party's sizable private militia has limited its actions to occasional shelling and setting up roadblocks.

Interior Minister Shamun is willing to use the army, but he is opposed by Prime Minister Karami and Yasir Arafat, chairman of the Palestine Liberation Organization. Arafat [redacted] believes that joint action by the Lebanese internal security forces and the Palestinian police will be sufficient to restore order.

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The violence in the capital frustrated the government's efforts to negotiate a truce among the warring factions. The cabinet met yesterday to consider using the army, but apparently failed to reach a decision.

25X1

Despite the reluctance of Lebanese Muslim and Palestinian leaders to turn to the army, both are involved in consultations to formulate contingency plans for just such a move. The Beirut press speculates that PLO forces may agree to work with the army as they have done in northern Lebanon.

Fighting in Tripoli died down yesterday, and the government radio said this morning the city is quiet. The leftists are gradually implementing the provisions of the "truce" negotiated Tuesday night. The radical October 24 Movement has released most of the several dozen police it had seized. Christians and Muslims in the area are negotiating through intermediaries to define the buffer zone that separates Tripoli and Zagharta.

FOR THE PRESIDENT ONLY

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PORUGAL

Prime Minister - designate Azevedo yesterday met with party leaders in an effort to resolve differences between the Communists and center-left Popular Democrats on the number of portfolios the two parties will receive. According to the US embassy in Lisbon, most portfolios have now been distributed to the Socialists, Popular Democrats, the Communists, and independents.

The Communists have been pushing for equal representation in the cabinet with the Popular Democrats. The Popular Democrats, who polled twice as many votes as the Communists in the elections last April, insist that the division of portfolios reflect electoral strength. The Socialists have tried to mediate the dispute but are likely to support the Popular Democrats in an effort to override Communist objections and get the talks started again.

Rumors of divisions within the Communist Party as a result of recent setbacks may help explain Cunhal's determination to force concessions on the formation of a new government. [redacted]

25X1

[redacted] a Central Committee member--Carlos Aboim Ingles--and others who are unhappy with the party's strategy are challenging Cunhal's leadership. A Socialist-oriented weekly has also reported that Ingles is questioning Cunhal's direction of the party.

25X1

Communist influence in the military's top policy-making body, the Revolutionary Council, was further reduced Tuesday when supporters of Antunes' anti-Communist faction were elected to the three air force positions on the Council. The final composition of the restructured Council will not be known until the army elects its representatives later this week.

(continued)

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The army's six-man delegation will probably be dominated by members of the Antunes group, but apparently the navy's three representatives, elected yesterday, are either Communists or on the far left.

In addition to the 12 service representatives, the restructured Council will include the president, prime minister, internal security chief, armed forces chief of staff, and chiefs of staff of the three services.

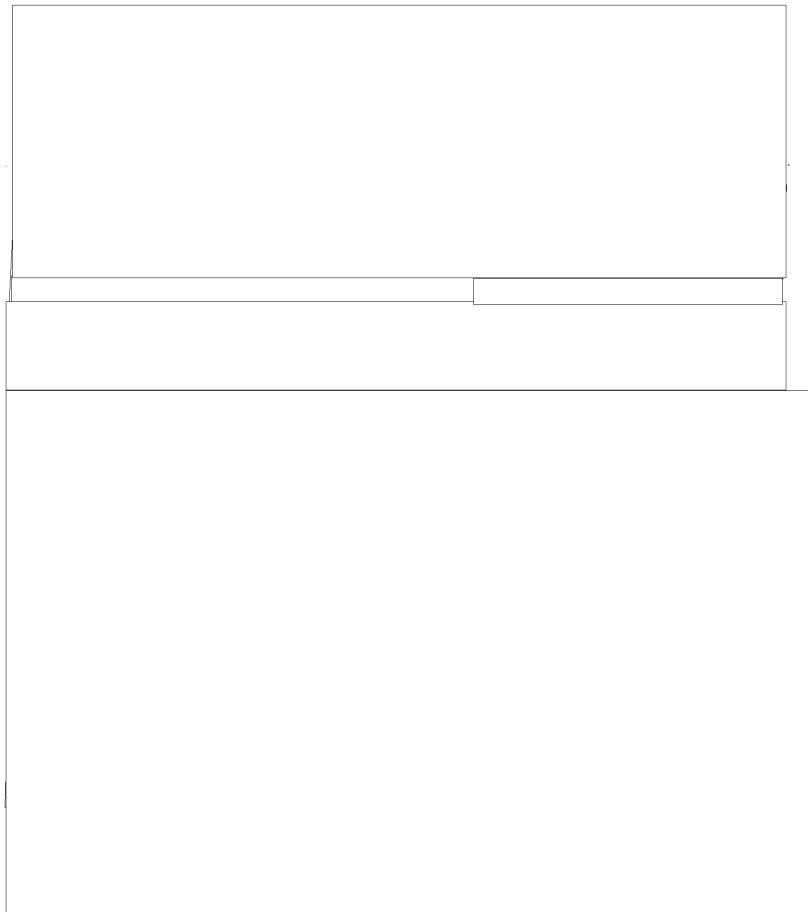
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FOR THE PRESIDENT ONLY

USSR



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NOTES

The Soviets are attempting to warn consumers of the possible magnitude of coming food supply problems.

A Leningrad lecturer last Sunday told his audience that "this year's crop will be about the same level as in 1972--a terrible year." In that year, the USSR harvested 168.2 million metric tons of grain. The Soviet press had highlighted this summer's difficult crop conditions but has not released production data. Meanwhile, reports of food shortages are appearing in the worst drought-stricken areas.

* * *

A spokesman for the Ethiopian rebels offered yesterday in Beirut to arrange for a CBS television crew to visit the four US citizens kidnaped by the insurgents from the Kagnew communications facility at Asmara.

All four Americans are reportedly held by the People's Liberation Forces, a rebel faction led by Isaias Afework. This faction is at odds with Eritrean Liberation Front guerrillas fighting the Ethiopian government and the insurgent leaders who are living in exile. The demands on the US--in effect the ransom for the captives--announced to the press by the insurgents last weekend appear to have been the work of exiles and do not necessarily reflect the views of the guerrillas holding the US captives.

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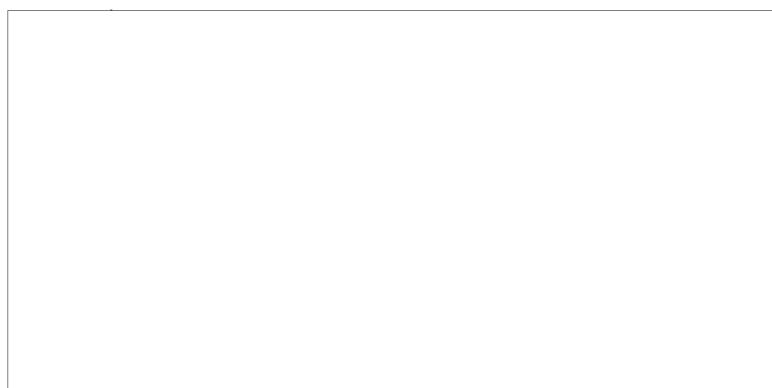
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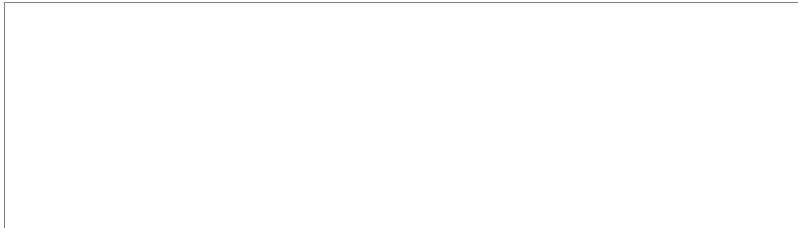
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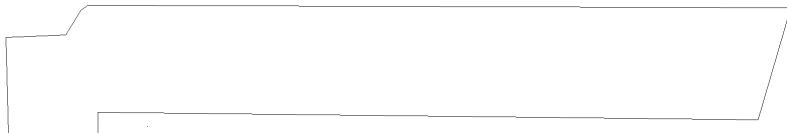
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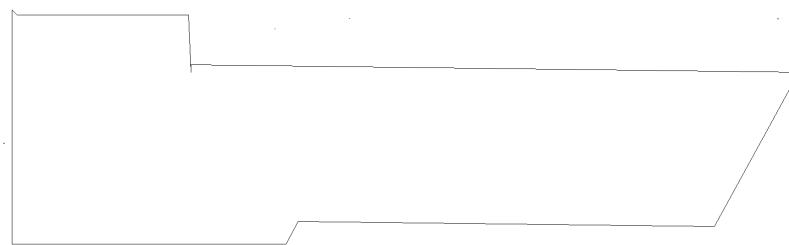
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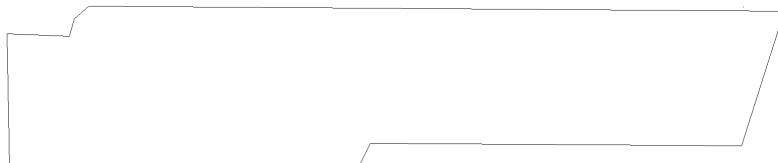
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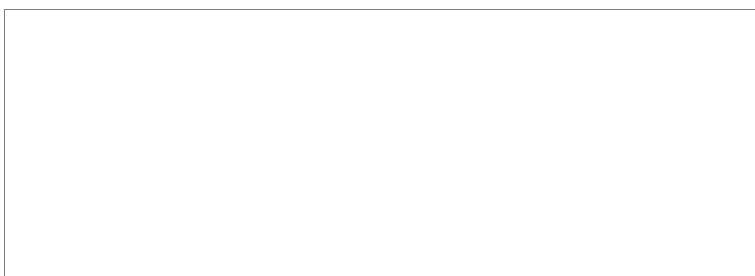
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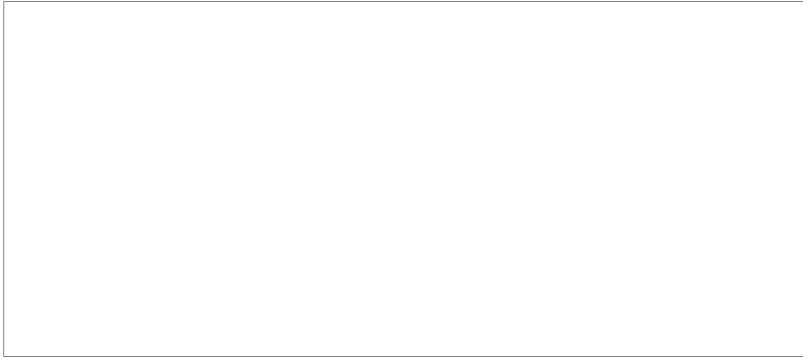


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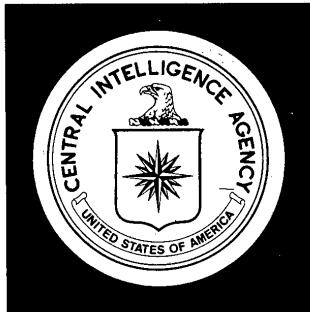


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September 19, 1975

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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

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September 19, 1975

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Portugal: A new cabinet has been formed and will be installed today. (Page 4)

Angola: The National Front, backed by several hundred Zairian troops, has launched a counter-offensive to retake Caxito. (Page 5)

USSR: The Soviets are moving ahead with programs to modify silos for ICBMs. (Page 6)

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

USSR

General Secretary Brezhnev's meeting on Wednesday with Konstantin Zarodov, the author of a hard-line article on communist party tactics, suggests that Brezhnev feels sufficiently vulnerable to criticism from his more doctrinaire colleagues to make a gesture in their direction. The fact that this was Brezhnev's first publicly announced appearance since his return from vacation on August 30, and that he usually shies away from such ideological matters, adds to the significance of the meeting.

Zarodov's article, with which Brezhnev now is associated, appeared in Pravda on August 6. It argued that communist parties should put revolutionary integrity ahead of cooperation with non-communist parties and should not let democratic procedures stand in the way of seizing power. The article drew criticism from West European parties, and Yugoslav media have taken sharp issue with the central theme.

Some Soviet officials, apparently embarrassed by the impact of the article, tried on several occasions over the past month to pass off the Zarodov diatribe as a "mistake." Brezhnev's meeting with the author presumably will end this effort.

What political pressures caused Brezhnev to take this step is an open question. One possibility is that the declining fortunes of the Portuguese Communists, following the Chilean debacle, have left a very sour taste in the mouths of those leaders troubled by the conflicting priorities of promoting detente and maintaining the health of the international communist movement. The Sinai II agreement may have made those most closely associated with detente more vulnerable. Brezhnev's decision ostentatiously to protect his ideological flank may be the result.

(continued)

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

There was a message in the Brezhnev-Zarodov meeting for the French and the Italian Communists who have practiced and defended political alliances with non-communist parties. In addition it probably will be read by Portuguese Communist leaders as support for a tougher stance as they deal with the new government in Lisbon.

Whether or not a signal also was intended for the US and the West in general, Brezhnev must have assumed it would be read as a toughening of the Soviet attitude across the board.

FOR THE PRESIDENT ONLY

LEBANON

The security situation in Beirut deteriorated yesterday as fighting spread to almost every section of the city. Fires, kidnapings, and sniper fire were widespread. Both sides reportedly had agreed to a cease-fire late yesterday, but the fighting continues today in many areas of Beirut, long after the truce was scheduled to take effect.

As of late yesterday, Prime Minister Karami, fearful of a sharp fedayeen-leftist reaction, continued to oppose the use of the army to end the fighting. Interior Minister Shamun told an embassy official, however, that he and several other members of the cabinet had told Karami that if the crisis were not solved early today, Shamun as interior minister had the authority to order the army to intervene and would do so. Shamun also said that he did not believe the use of the army would prompt the Syrians to intervene.

The use of the army could bring the more moderate organizations into the conflict against the government. Until now, Fatah, the principal fedayeen organization, has attempted to play a mediating role. Its leaders have expressed the fear that Fatah might become involved in the fighting if the army should fire on leftist elements.

Yesterday, for the first time during the current round of fighting, the right-wing Phalanges Party militia exchanged fire with Lebanese leftists and radical fedayeen. The Phalangists, who were deeply involved in the fighting in June, have been increasingly unhappy that the government has not called in the army.

Lebanese security officials believe that the leftists and the radical fedayeen are responsible for the sudden escalation of the fighting. These groups may feel that the continued strife eventually will overturn the present system of government, delicately balanced among Lebanon's religious communities, and pave the way for a Muslim, leftist-dominated regime more sympathetic to the Palestinians.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

PORtUGAL

The Revolutionary Council announced this morning that the new government has been formed and will be installed later today. Portuguese Socialist leader Soares told Ambassador Carlucci last night that the Socialists will receive four portfolios, and the Popular Democrats and the Communists will each get two.

The three major political parties will control only half of the total number of cabinet posts, but most of the military and civilian appointees are expected to follow the Socialists' lead. Soares described the new cabinet as a "humiliating defeat for the Communists."

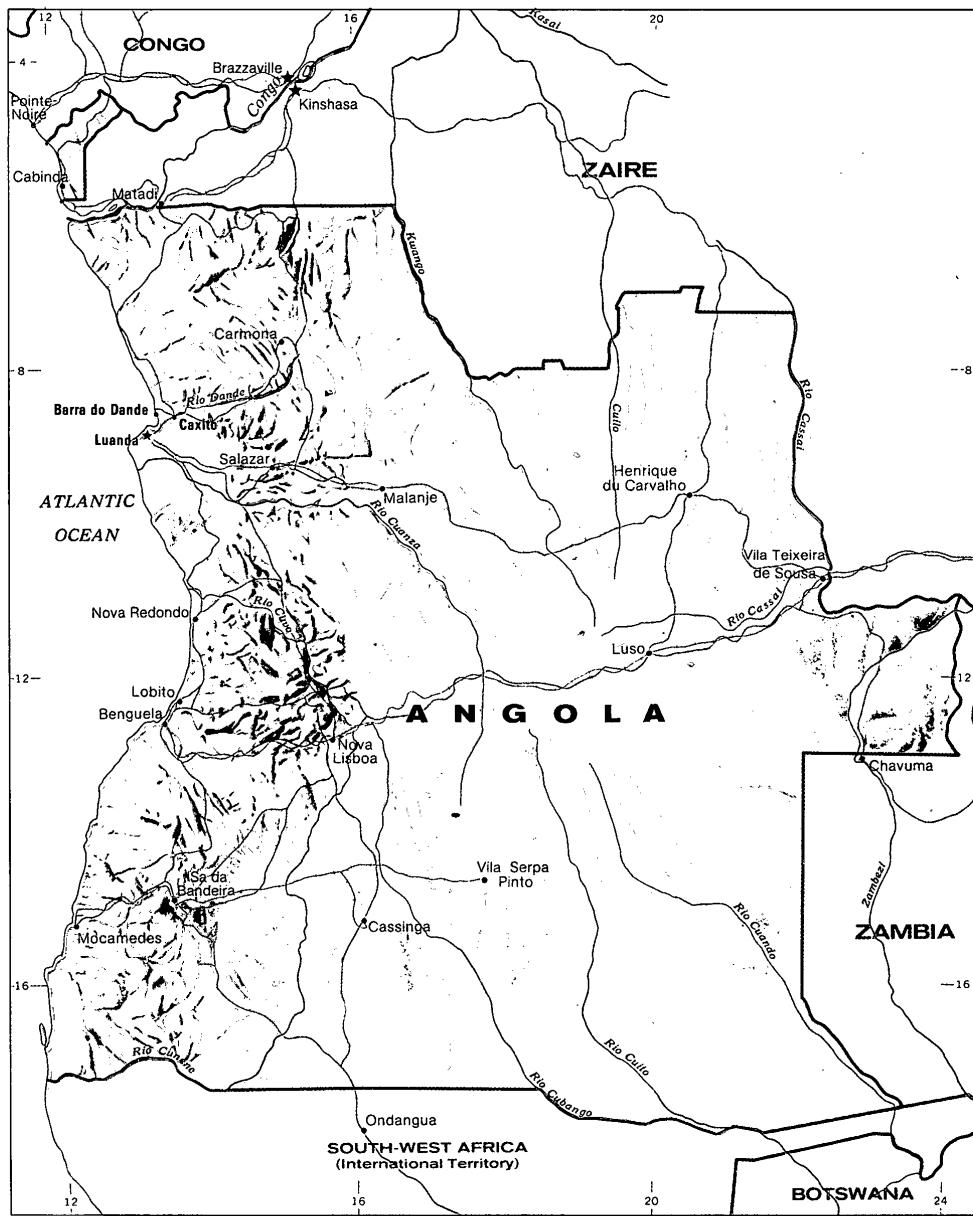
The Communists have already begun to criticize the cabinet and claim that they are participating only to prevent the formation of an "openly rightist government." The Communist-dominated Portuguese Democratic Movement--which has been represented in the last two cabinets despite meager popular support--has scheduled an anti-government rally for September 28, the anniversary of the ouster of former president Spinola.

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[redacted] Democratic Movement for the Liberation of Portugal has canceled plans for a "happening" this Saturday. The group's leadership may have difficulty in communicating the change of plan to activists who are inside Portugal and scattered along the Spanish border. [redacted] the cancellation is largely the result of pressure by Western governments.

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FOR THE PRESIDENT ONLY

ANGOLA

The National Front for the Liberation of Angola

[redacted] apparently has launched a counteroffensive to retake Caxito, which it surrendered to the Popular Movement for the Liberation of Angola two weeks ago.

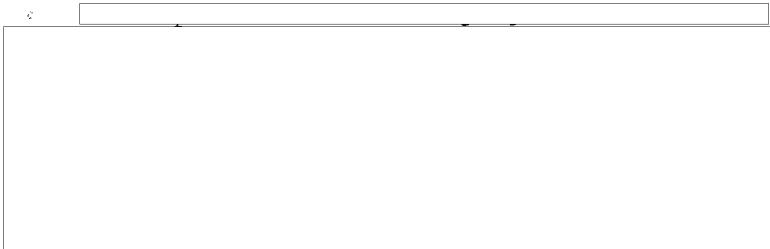
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Information on the fighting is sketchy. Portuguese military officials in Luanda said on Wednesday night that clashes between the two groups were taking place "north of the Caxito - Barra do Dande front." Both liberation groups are claiming significant victories in the area.

The present fighting is very likely to become one of the most serious campaigns yet in the territory because the National Front is virtually fighting for its survival. Isolated in the north and with less than two months before Angola is granted independence, the National Front must move rapidly and strongly to restore its military credibility with both the Portuguese and the Popular Movement in order to obtain a political role in the independent government. The recapture of Caxito is vital to the National Front's credibility.

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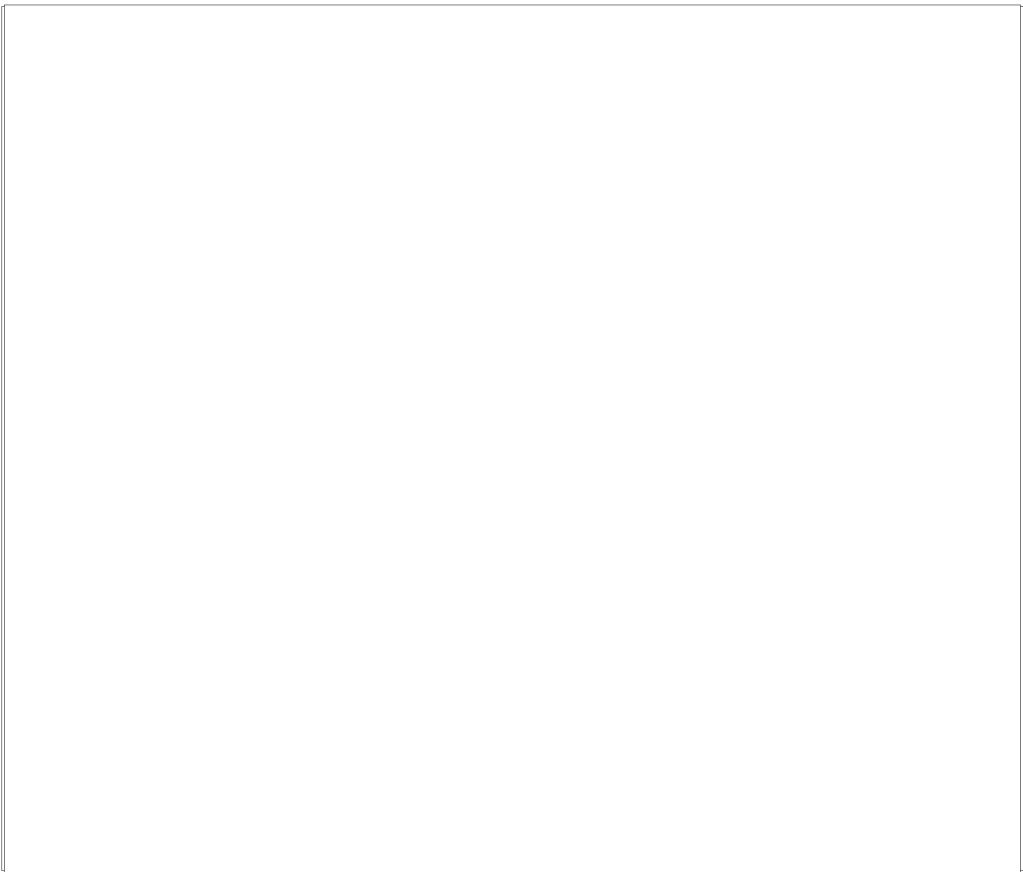
The Popular Movement, for its part, is making a determined effort to show that it is the only nationalist group capable of running the territory. It cannot afford to let the National Front make even minimal gains and may decide to try to push it out of Angola entirely.

FOR THE PRESIDENT ONLY

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FOR THE PRESIDENT ONLY

USSR

The Soviets are moving ahead with programs to modify silos for new ICBMs. All six SS-9 and the twelve SS-11 missile complexes are involved; work at the single SS-13 complex probably will begin soon.

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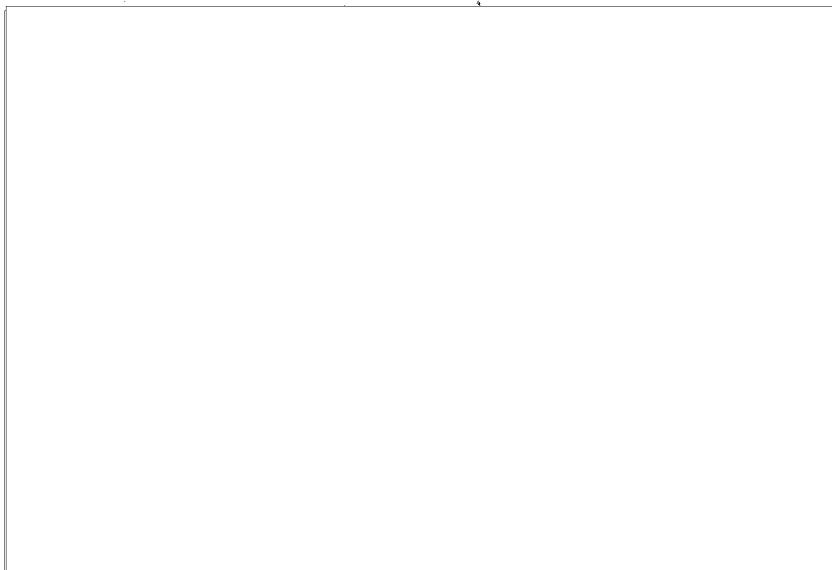
Converting to SS-18s

Recent satellite photography shows that work on the conversion of 18 SS-9 silos for the SS-18 probably will be completed before the end of this year. Another eight new silos are being built at the same locations. In addition, the Soviets should complete the conversion of 36 other SS-9 silos and the construction of eight SS-18 silos by mid-to-late 1976.

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Work on a group of ten missile silos at the Dombarovskiy complex was finished late last year. The SS-18 Mod-1 is now in these silos.

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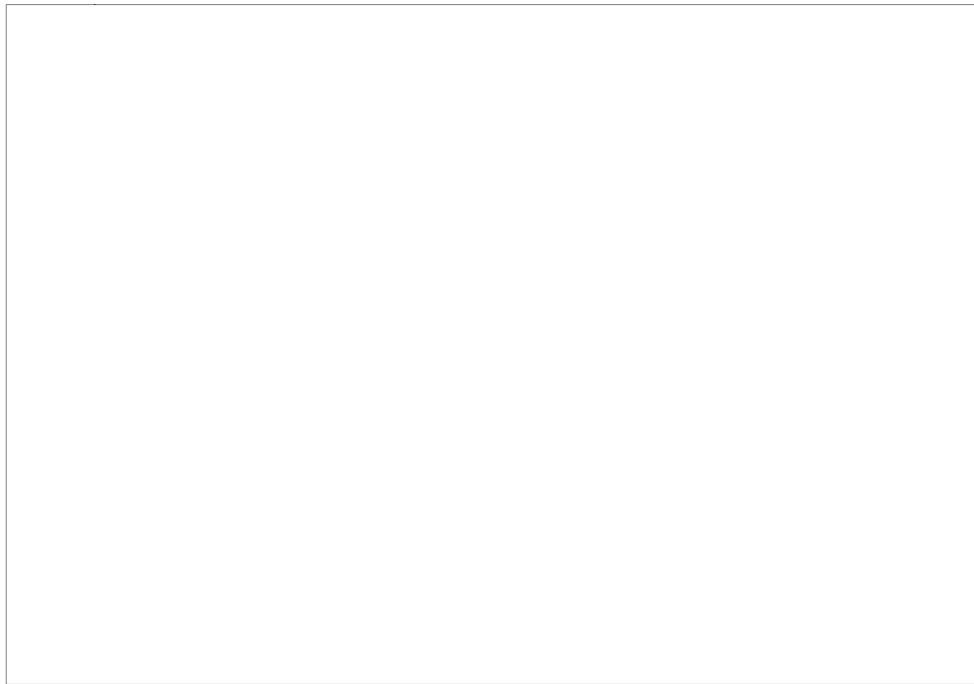


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SS-11s to SS-17s

The Soviets are converting SS-11 silos for the SS-17 at the Yedrovo complex. Although work is under way at only one group, launch control silos under construction for three other groups indicate that more silos will be converted shortly.

The first and so far only SS-17 group was completed in June, and missiles have been installed. All 110 SS-11 silos could be converted for the SS-17 by late 1977.

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Conversion for SS-19s

A total of five groups of SS-11 silos at three complexes are being converted for the SS-19. Three of these groups should be completed before the end of this year. Work on seven other SS-19 groups has been completed at two of the complexes.

At the Tatishchevo complex, the Soviets could begin converting SS-11 silos for the SS-19 at any time. SS-19 silo components have been stockpiled there for more than a year.

By 1979, all 350 SS-11 silos at the four complexes could be modified for the SS-19. In addition, 60 new SS-19 silos built at two of the complexes since late 1970 now contain SS-11 variants, but these missiles will probably be replaced by the SS-19 within the next year.

At the Kostroma complex the Soviets apparently intend to convert the SS-11 silos for either the SS-17 or the SS-19. The rail support facilities are being expanded to stockpile new silo components, and a launch control silo is under construction. Until the new silo components are actually delivered, it cannot be determined whether the SS-17 or SS-19 will be installed in the 90 silos at this complex.

(continued)

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Modernizing the SS-11

Silos at the remaining six SS-11 complexes are being modernized for the SS-11 Mod-2 and Mod-3. Work on all 420 will probably be completed by late this year or early next year.

The Mod-2 carries a single re-entry vehicle and possibly two penetration aids, and the Mod-3 has three re-entry vehicles.

Still to Come: the SS-X-16

The Soviets probably will begin replacing the 60 SS-13 missiles with the SS-X-16 at the Yoshkar-Ola complex before the end of this year. It is believed that few if any modifications will be necessary before installing the SS-X-16, and that the missile could be installed in all 60 silos within a year.

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NOTES

Greece apparently intends to stall substantive negotiations on its relationship with NATO in order to prod the alliance into taking a more active role in resolving bilateral issues between Athens and Ankara.

Prior to the North Atlantic Council meeting on September 17, NATO representatives were cautiously optimistic that Athens was prepared to discuss concrete proposals for reintegrating Greece into the military side of NATO. Greek Ambassador Theodoropoulos instead emphasized that "progress in the negotiations will be a function of the overall political situation within the alliance." [redacted]

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Athens would proceed cautiously in the talks, and that any stalling or equivocation would be a tactic aimed at buying time to prepare the Greek public for re-entry into NATO. It is clear that Athens also wants to maintain pressure on Turkey. [redacted]

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Argentina's Acting President Luder's strong exercise of authority in reorganizing the cabinet on Monday is having a positive impact on the politicians and the military.

Luder apparently forced the resignation of the controversial interior minister and also removed President Peron's private secretary. According to our embassy's sources, he is going to continue to restructure the administration, taking advantage of the President's absence to undermine her remaining political strength and possibly to launch a bid of his own to retain the office. [redacted]

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* * *

Indian Prime Minister Gandhi may be worried about the army's loyalty. She [redacted] has issued orders barring the army from conducting maneuvers in the New Delhi area without first obtaining specific government authorization.

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[redacted]
Some military officers may be unhappy about the authoritarian steps Gandhi has taken during the past three months, but most officers, like most of the Indian public, have appeared to be supporting or at least acquiescing in her actions.

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The President's Daily Brief

September 20, 1975

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

September 20, 1975

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Portugal: Anti-Communist military officers and representatives of the democratic parties dominate the new cabinet sworn in yesterday.
(Page 1)

Lebanon: Intense fighting continued in Beirut yesterday; the army has not yet been brought into the conflict. *(Page 2)*

USSR: The Soviets have reached the stage in their submarine construction program at which--to comply with the Strategic Arms Limitation Interim Agreement--they must dismantle older ICBM launchers or submarine-launched ballistic missile launchers in order to compensate for new submarine ballistic missile launchers.
(Page 3)

Cyprus: Turkish Cypriot leader Denktash will request authority from the Turkish Cypriot Constituent Assembly on Monday to declare the Turkish Cypriots independent should the UN General Assembly take action that Denktash deems unfavorable. *(Page 4)*

Panama: Canal treaty negotiations may encounter new difficulties despite the government's apparent commitment to continue the talks.
(Page 6)

Notes: Libya-USSR; Libya - North Vietnam - Morocco; USSR-Spain *(Page 7)*

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

PORUGAL

Anti-Communist military officers and representatives of the democratic parties dominate the new cabinet sworn in yesterday, Portugal's sixth government since the military coup of last year. The restructured Armed Forces Revolutionary Council is also controlled by anti-Communists.

The division of portfolios among the major parties corresponds roughly to the results of the April elections. The new cabinet includes four Socialists, two Popular Democrats, and one Communist; military officers, mostly from the anti-Communist faction of Major Antunes, hold five positions and civilian technocrats have the remaining three. Despite Prime Minister Azevedo's effort to portray the new cabinet as a "government of unity," most Portuguese will probably hold the Socialists responsible for its actions.

The newly restructured Revolutionary Council, which was announced late Thursday night, has been reduced to 17 members. The majority are identified with the Antunes faction. Only two are considered Communist sympathizers. One of the first tests of the new Council will be to reestablish discipline in the armed forces. If the Council continues the former practice of weak compromises and consensus rule, however, it will be no more effective than its predecessors.

The Communists have [redacted] decided to present a facade of cooperating with the parties and the new government while creating disruptions across the country intended to complicate the new regime's problems and keep the pressure on it to maintain public order. In addition to demonstrations, the party will organize strikes against large landowners in the south and also will encourage homeless workers to begin occupying vacant houses.

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LEBANON

Intense fighting continued in Beirut yesterday. The government has ordered a dusk-to-dawn curfew in the commercial areas of the city where damage has been extensive. The Lebanese army has not yet been brought into the conflict. The less radical fedayeen organizations, Fatah and Saqiya, continue to remain out of the fighting and to assist Lebanese security authorities.

For the first time in the latest round of fighting, the Syrians have actively involved themselves in efforts to end the conflict. Syrian Foreign Minister Khaddam arrived in Beirut yesterday to confer with President Franjiyah. In May and June, Khaddam helped negotiate both an end to that round of fighting and the appointment of Rashid Karami as prime minister.

[redacted] Syrian President Asad has approved joint intervention by the Lebanese army and the Palestine Liberation Organization to restore calm to Beirut. Under the plan, the army would police the Christian areas of the city, and the PLO would control the activities of the Lebanese Muslims and the leftists. Syrian military units posing as members of Saqiya would bolster the strength of the PLO. [redacted] the PLO leadership favors the Syrian proposal.

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Karami met yesterday with Franjiyah and Interior Minister Shamun to try to prolong his mandate for continued efforts at conciliation. Many Christian politicians and army officers distrust Karami, whom they consider needlessly conciliatory toward radical Muslim elements.



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USSR

The Soviets have reached the stage in their submarine construction program at which they must dismantle older ICBM launchers or submarine-launched ballistic missile launchers (SLBMs) in order to compensate for new submarine ballistic missile launchers as required by the Strategic Arms Limitation Interim Agreement.

Recent missile firings indicate that the first lengthened D-class submarine has completed sea trials. It will be some time, however, before the new submarine makes its first patrol with missiles--perhaps as much as nine months. The lengthened D-class submarine carries 16 SS-N-8 missiles. Four of these submarines have now been launched, the second is on sea trials, and the third and fourth should begin trials in October and December. In addition, a standard D-class submarine carrying 12 SS-N-8 missiles probably will begin sea trials in mid-October.

The Interim Agreement stipulates that after the nuclear submarine containing the 741st submarine ballistic missile launch tube begins sea trials, the Soviets must dismantle older ICBM or SLBM launchers on a one-for-one basis. The dismantling must begin no later than the start of sea trials and must be completed within four months for ICBMs and six months for SLBMs.

The Soviets got an early start on dismantling by placing 17 above-ground SS-7 sites--34 launchers--at a reduced state of readiness several years ago. Most missiles, warheads, and missile-related equipment were removed, but the dismantling of permanent facilities has begun at only five sites.

The pace of the submarine construction program, however, requires that ICBM dismantling now begin in earnest. The second lengthened D-class submarine, which began sea trials in late August or early September, contains launch tubes 730 through 746, and thus by early January at least six SS-7 launchers will have to be fully dismantled under the Interim Agreement. By December, the submarine containing the 790th SLBM probably will enter sea trials, requiring that by March, 50 older ICBM launchers must be dismantled.

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CYPRUS

Turkish Cypriot leader Denktash will request authority from the Turkish Cypriot Constituent Assembly on Monday to declare the Turkish Cypriots independent should the UN General Assembly take action that Denktash deems unfavorable. He cited two possible developments at the UN--refusal to permit him to address the Assembly as the spokesman for the Turkish Cypriots or passage of a resolution unduly critical of the Turkish position on Cyprus--as justifying a move for independence.

Denktash will probably obtain the Assembly's support, although opposition leaders have expressed reservations about the wisdom of linking a declaration of independence to possible UN action. While the vote by the Constituent Assembly will indicate the extent of community backing for Denktash's proposed course of action, the Turkish Cypriot leader must look to Ankara for final approval.

Turkish Prime Minister Demirel has avoided taking a direct stand on the subject. He displayed considerable lack of enthusiasm for Turkish Cypriot independence last week, however, noting that it was not something envisioned in his government's program. Opposition leader Ecevit has indicated that he opposes independence.

The Turks probably view independence as fraught with uncertainties and potentially serious problems including:

- the negative impact it would have on efforts to lift the US arms embargo;
- the probability that only a handful of nations would recognize an independent Turkish Cypriot state;

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FOR THE PRESIDENT ONLY

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--the possibility that Greek Cypriots would then move for union with Greece, which the Turks fear would mean the buildup of Greek forces on Turkey's southern flank.

Denktash's threat appears to be chiefly a ploy aimed at forestalling UN action detrimental to the Turkish Cypriot cause. The Turks, moreover, will lobby extensively at the UN General Assembly to avoid the kind of resolution that might cause Demirel to commit himself on the issue of independence. The likelihood that the debate on Cyprus will be postponed until October, probably until after the Turkish senatorial elections on October 12, provides time for both Greeks and Turks to maneuver against a move both wish to avoid.

FOR THE PRESIDENT ONLY

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PANAMA

Canal treaty negotiations may encounter new difficulties despite the Panamanian government's apparent commitment to continue the talks.

General Torrijos reportedly was angered by remarks made this week by Secretary Kissinger, Ambassador Bunker, and General McAuliffe, commander in chief, US Southern Command. The controlled Panamanian press has attacked the statements, claiming that they indicate a hardened US position. Members of Panama's negotiating team are said to be discouraged and talking of an impasse.

The official foreign ministry communiqué issued Wednesday at the conclusion of the latest negotiating round cited "very little progress." It reflected a marked change from the considerable optimism expressed prior to Ambassador Bunker's arrival on September 7. Despite the US desire for secrecy, Torrijos has ordered, according to press reports, that a "public account of the talks" be published by today.

Panama will probably seek to continue negotiating and try to rally public opinion to the government's position. Torrijos almost certainly believes that a well-orchestrated show of domestic and international opinion favoring Panama will induce the US to make further concessions.

Student demonstrations protesting the statements of US officials have been peaceful so far. The gradual escalation of the Panamanian campaign, however, with official disclosures and a more lenient attitude toward student demonstrations, carries the danger not only of stalled talks but also of unplanned violence.

FOR THE PRESIDENT ONLY

NOTES

Libya may soon receive TU-22 medium bombers from the USSR.

Photography of early August showed two TU-22s at an aircraft plant in the USSR. Markings on both aircraft resembled insignia of the Libyan air force. Libya reportedly is to receive at least 12 TU-22s from the USSR,

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[redacted] Libya will be only the second country to receive TU-22s from the USSR; Iraq received 14 of the bombers in 1973. Although the aircraft will eventually give Tripoli a medium-range bombing capability, the poor quality of Libyan pilots will be a limiting factor for some time.

* * *

The C-130 transport aircraft Libya [redacted] has bought from Vietnam apparently will be loaned to Morocco.

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[redacted]
Qadhafi offered to provide Morocco with C-130s he was acquiring [redacted]
[redacted] Libya [redacted] purchased six to eight C-130s from Vietnam.

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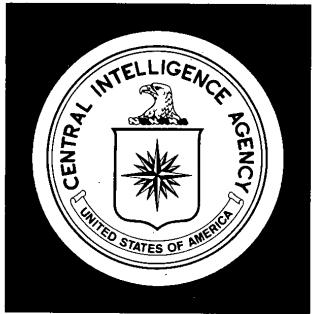
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September 22, 1975

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

September 22, 1975

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Portugal: The new government is expected to concentrate on establishing a pro-Western foreign policy, trying to retard further economic deterioration, and planning for new elections in February. (Page 1)

Lebanon: Fighting slackened considerably yesterday as the truce announced Saturday night slowly took hold. (Page 2)

Note: Angola (Page 3)

FOR THE PRESIDENT ONLY

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PORUGAL

The new government, according to the US embassy in Lisbon, is expected to concentrate on establishing a pro-Western foreign policy, trying to retard further economic deterioration, and planning for local, national assembly, and presidential elections. Socialist leader Soares has told an embassy officer that Prime Minister Azevedo has promised to hold all of these elections in February. The government will also work to reduce Communist influence in the media and in labor organizations.

Foreign Minister Antunes--who formerly favored ties with the Third World--now apparently sees a need for strong relations with Western Europe. He and Foreign Trade Minister Campinos, a Socialist, are expected to make approaches shortly toward arranging economic assistance programs for Portugal from Western Europe and the US.

The new economic team--dominated by Socialists--will try to regain control over the economy and repair the damage done by the radical initiatives of the Goncalves regime. The government is unlikely to rescind the nationalization and agrarian reform measures already in effect, but it will attempt to consolidate and organize the companies and lands that now belong to the government.

The Communists' reluctant acceptance of the new cabinet is not shared by extreme left-wing organizations. These groups have been critical of all governments since the military coup, but their distrust of a Socialist-dominated cabinet may now lead to a wave of terrorist activity.

Right-wing exile groups probably pose a more serious threat to the new government. One of them, the Portuguese Liberation Army, has claimed responsibility for the bombing yesterday of a navy building where Prime Minister Azevedo was staying. The group is [redacted] based in Spain and connected with former president Spinola.

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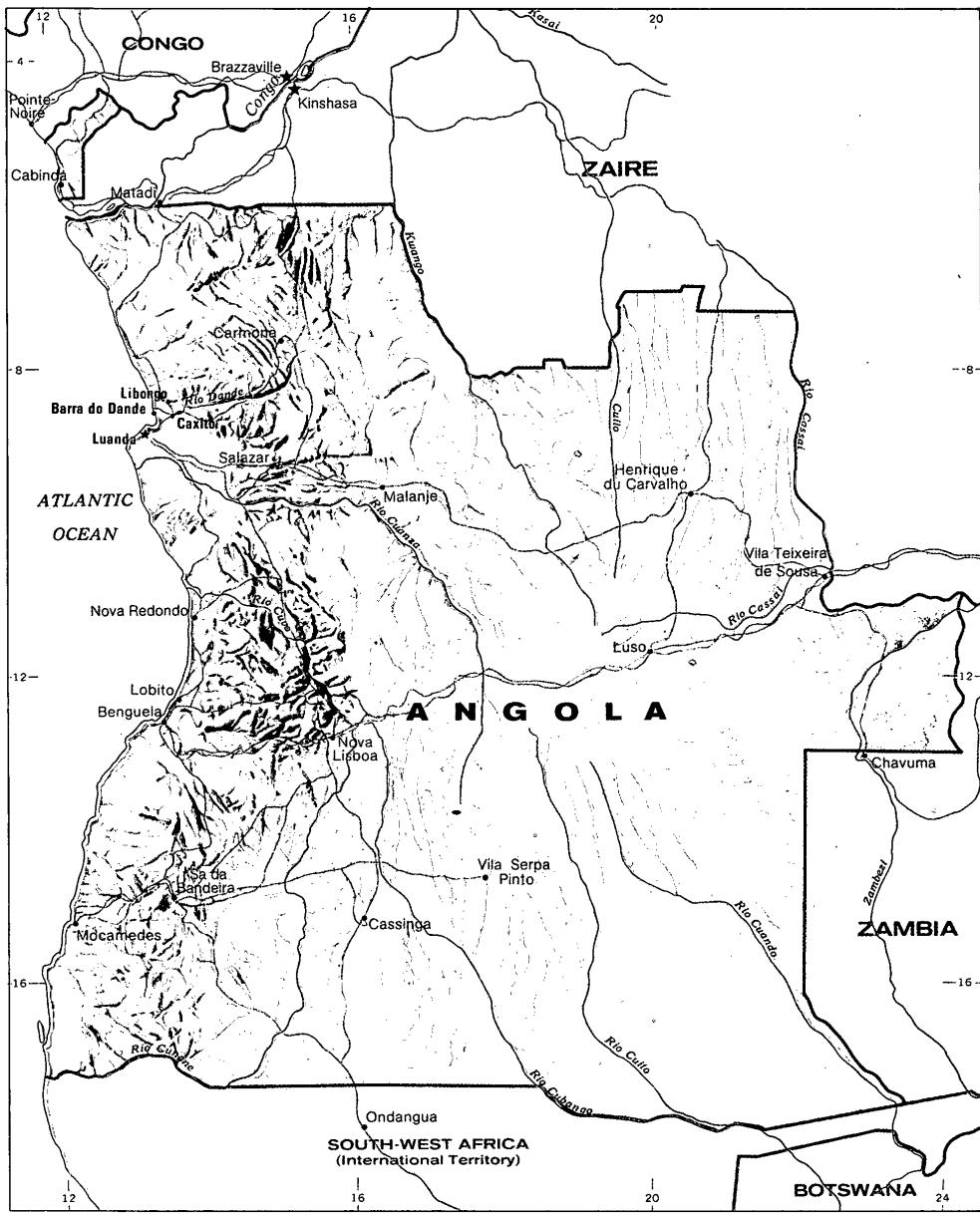
LEBANON

Fighting in Lebanon slackened considerably yesterday as the truce announced Saturday night slowly took hold. Scattered skirmishing and sporadic sniper fire continue in certain suburbs of Beirut, however, preventing the reopening of some major roads out of the city. A dusk-to-dawn curfew remains in effect.

The truce reportedly is part of a two-stage agreement hammered out Saturday by Lebanese and Palestinian leaders in discussions with Syrian Foreign Minister Khaddam and Chief of Staff Shihabi. The second stage provides that all parties to the conflict participate in "national reconciliation" talks that will include discussions on expansion of the cabinet, social and political demands of Lebanese leftists, and possibly Lebanese-Palestinian relations.

Khaddam and Shihabi, who are being given most of the credit for the reduced fighting, continued their discussions yesterday with the Palestinians and Lebanese political and religious leaders, presumably in an effort to firm up the truce agreement. The US embassy in Beirut reports there is considerable skepticism that any real progress can be made in reconciliation talks, given the intractable issues involved.

Possibly playing a role in convincing all sides to cool things off is the fear in Lebanon of more substantial outside intervention. The embassy reports that Khaddam's offer to provide Syrian forces to patrol Beirut brought home to the Lebanese the gravity of their unstable internal situation. Further unnerving the Lebanese was the warning over the weekend from Israeli Foreign Minister Allon that Syria should not assume it has a free hand to intervene. Allon's warning--and his threat that if Damascus should intervene Tel Aviv might feel constrained to follow suit--have received extensive coverage in the Beirut press.



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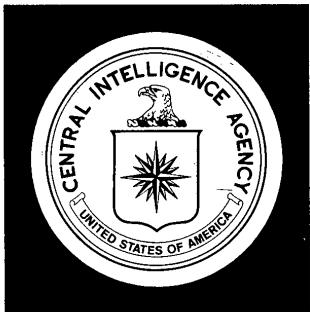
NOTE

A combined force of the National Front for the Liberation of Angola and Zairian troops re-captured Caxito this weekend.

The Front was driven from Caxito in a major setback two weeks ago by the Popular Movement for the Liberation of Angola. Even if the Front maintains control of Caxito, it will have to put much more military pressure on the Popular Movement to make credible its claim to be a major military and political force in Angola.

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Lebanon: Fighting continued in Beirut yesterday and the government again warned residents to stay off the streets. (Page 1)

Portugal: The new government is not going to receive a honeymoon period from the Communists, who are reluctant to give up the gains they have made. (Page 2)

China: The nation, although nominally a "workers' state," has had to contend for more than a year with worker strikes, absenteeism, and slowdowns. (Page 3)

Notes: Jordan-Syria; Panama; East Germany - USSR
(Page 5)

FOR THE PRESIDENT ONLY

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LEBANON

Fighting continued yesterday in Beirut and the government again warned residents that all streets in the city were dangerous. Fighting also picked up again in the northern city of Tripoli.

Last night, the right-wing Phalanges Party as well as left-wing and fedayeen groups agreed again to abide by the cease-fire concluded on Saturday night. The Phalangists may be more willing to observe the cease-fire this time because they are reportedly low on ammunition.

The US embassy in Beirut believes that nearly all the forces, except for the Communists and the fedayeen "rejectionists," now would like to see an end to the fighting, but each continues to insist on its own terms. The current cease-fire does not provide for the removal of barricades and armed men from the streets of the capital. The embassy notes that, without such a clause, the entire arrangement is at the mercy of the least disciplined and doubts that the cease-fire can be enforced effectively.

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Syrian Foreign Minister Khaddam continued his mediation efforts yesterday. [redacted]

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PORUGAL

The new government is not going to receive a honeymoon period from the Communists, who are reluctant to give up the gains they have made.

The party is challenging the Azevedo government on agrarian reform issues and is attempting to block efforts by the new administration to restructure local governments that the Communists control. Similar blocking efforts are likely in the media, labor, and the government bureaucracy.

Meanwhile, the Communist-dominated Democratic Movement is attempting to foment unrest among industrial workers. The Movement has promised a "period of social agitation," and is supporting a one-hour strike called by steelworkers for tomorrow.

Some military officers are unwilling to risk their "revolutionary" credentials by supporting the new government. Security chief Carvalho, for example, has announced that he intends to keep his distance and "to enter decidedly into the opposition" if the government shows any sign of a turn to the right.

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CHINA

China, although nominally a "workers' state," has had to contend for more than a year with worker strikes, absenteeism, and slowdowns. The government seems unable to cope with these phenomena. Indeed, there may even be those within the leadership who sympathize with the workers' demands. Repeated exhortations have been issued in an effort to end the strikes and increase production, but the country's leaders apparently have taken no firm action against the strikers, and the basic issue--wages--has been sidestepped. These factors, together with bottlenecks in the mining and transport industries, are contributing to a marked slowdown in the rate of industrial growth.

The strikes, although economically motivated, seemed to grow out of the political instability generated last year during the so-called anti-Confucius campaign, which reflected the rivalry and policy differences within the national leadership. While some factories were thrown into disarray as workers used the campaign to attack factory managers for political wrongdoing, other workers apparently seized the opportunity to press home their demands for higher wages. This was the first widespread activity of this sort since January 1967, when similar demands occurred in the confusion of the Cultural Revolution.

A meeting of the National Peoples' Congress, China's legislature, in January this year contributed to a recurrence of labor unrest. Expectations that the congress would approve a wage hike proved groundless. In addition, the new constitution adopted at the congress gave workers the right to strike, providing a legal outlet for their growing frustration.

As was the case last year, the steel and railway industries apparently have been the hardest hit by this year's strikes, which continued at least through August. Work stoppages reportedly kept the

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iron and steel industries from meeting production goals for the first half of the year, and wage-related strikes also contributed to rail disruption. In addition, these industries are suffering from the cumulative impact of inadequate capital investment over the past several years.

Most workers have not had a pay raise since the 1950s, and the cost of living, although low by Western standards, has risen somewhat over recent years. After 26 years of Communist rule, the Chinese people have found that the state has taken care of their basic necessities. While this is no small accomplishment, the populace now seems ready for something more than the bare essentials, and a cycle of rising expectations may have set in.

Nonetheless, the people are again being asked to tighten their belts as China embarks on a long-range economic plan designed to bring the country into the front ranks of the industrialized nations by the end of the century. Peking's dependence on worker cooperation in this economic effort has left China's leaders vulnerable to pressure from the workers. In essence, they have demanded more compensation for their cooperation.

This presents Peking with a dilemma. Aside from the obvious cost of an across-the-board pay raise, giving in to workers' demands would set a potentially dangerous precedent at a time when Peking is trying to promote stability throughout the country.

Repressive measures against the strikers present even greater hazards. After four years of gradually removing the army from factories, schools, and other civilian institutions in the interest of restoring party supremacy, Peking clearly is reluctant to use the military again in the factories. Troops have been used to quell disorders caused by political disputes between contending groups of workers, but there is no evidence that the army has been employed against strikers complaining about wages.

The government obviously cannot allow the strikes to go on indefinitely and will eventually have to come to grips with the wage issue--or, reluctantly, use force against the strikers. Whatever decision it finally makes will certainly carry with it significant economic or political costs.

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NOTES

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Jordan

Syria

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* * *

Panama's release over the weekend of confidential US and Panamanian negotiating positions was not designed to torpedo the canal treaty talks. It was a domestic political tactic.

The government was trying to show Panamanians that it is keeping the initiative and rejecting US proposals that it says could infringe on Panama's sovereignty. It said nothing to throw doubt on its basic commitment to the talks--but now, of course, it will be more difficult for Panama to compromise. General Torrijos, it would seem, is banking on further significant concessions from the US.

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East German

Soviet

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declassification schedule of E.O. 11652
exemption category 5B(1),(2),(3)
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September 24, 1975

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Lebanon: Fighting in Beirut increased last night and the fragile cease-fire appeared to be in jeopardy. Syrian Foreign Minister Khaddam told PLO leaders that he had obtained the agreement of the Lebanese Prime Minister and Minister of Interior for an expanded cabinet and for the consideration of a series of proposals by a "committee of national dialogue."
(Page 1)

USSR-Portugal: Portuguese President Costa Gomes and Foreign Minister Antunes will depart Saturday for visits to the USSR and Poland. 25X1
(Page 3)

Syria-Israel: [redacted] 25X1
[redacted]

OPEC: The oil ministers meeting, which opens today in Vienna, could promote moderation and conciliation toward the Western consuming nations.
(Page 5)

Notes: Egypt; USSR; Panama-US; USSR-Somalia; Laos.
(Pages 6 and 7)

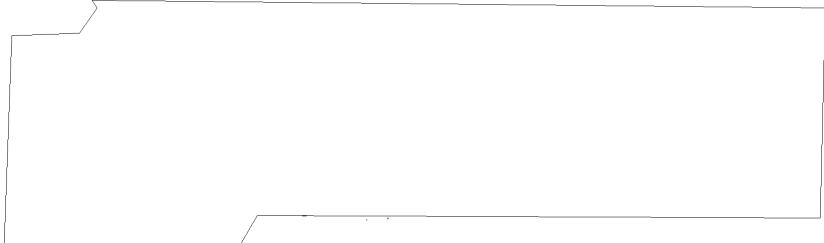
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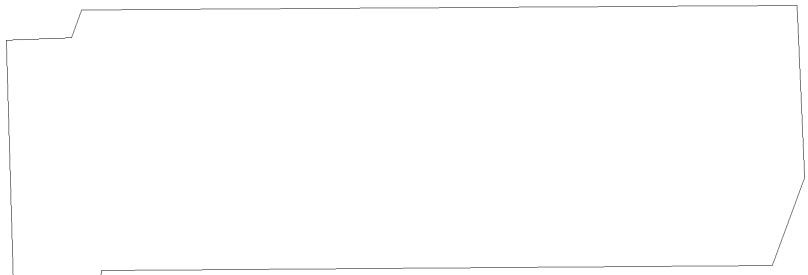
LEBANON

After having subsided during the day yesterday, fighting in Beirut increased last night with exchanges of mortar and rocket fire in the suburbs. The armed militias of both sides continued to man barricades in several sections of the city, and the fragile cease-fire appeared to be in jeopardy.

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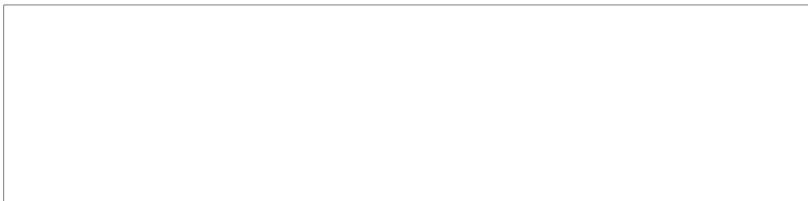


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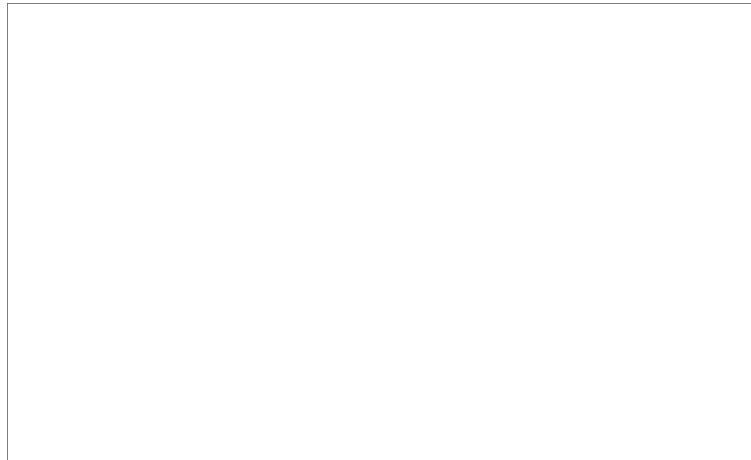


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Late yesterday, Khaddam announced that he had agreed with Maronite leaders on a common formula [redacted]

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[redacted] Jumblatt's group, however, appeared to be holding out for at least partial acceptance of the leftist reform program which would amend the constitution and the national covenant more drastically. The US embassy in Beirut believes that as long as these issues are unsettled, the cease-fire will remain tenuous.

FOR THE PRESIDENT ONLY

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USSR-PORUGAL

Portuguese President Costa Gomes and Foreign Minister Antunes will depart Saturday for visits to Poland and the USSR. The trip has been planned for several months, but probably was not definitely scheduled until the new Portuguese government assumed Office.

The Soviets may have done some soul-searching and some explaining to the Portuguese Communists before agreeing to see Antunes, the leader of the anti-Communist forces within the Armed Forces Movement. During the recent governmental crisis in Portugal, Moscow criticized Antunes by name.

Soviet media continue to report--and now associate Moscow with--Communist Party leader Cunhal's statements that the Azevedo government is the best that could be achieved, given the current circumstances in Portugal. Communist participation in the cabinet is justified as necessary to keep Portugal from moving to the right. The Soviets presumably will use the same reasoning to explain the visit of Costa Gomes and Antunes.

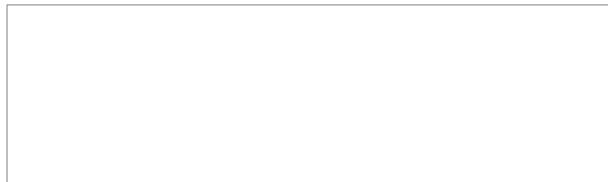
In receiving the two officials, Moscow is, in effect, reaffirming the pragmatism of its policy toward Portugal. Despite the downturn in the prospects of the Portuguese Communists, the Soviets want to maintain friendly ties with Lisbon. It will be interesting to see whether General Secretary Brezhnev, in view of his recent association with a hard line on Portugal, will meet Costa Gomes and Antunes.

The subject of economic assistance will undoubtedly arise during the visit. The Soviets have publicly noted Portugal's economic problems and have accused the West of virtually imposing an economic boycott on the country. Foreign Minister Gromyko mentioned Portugal's economic problems in his speech to the UN General Assembly yesterday, and Moscow may feel obliged to make some gesture of assistance to Lisbon.

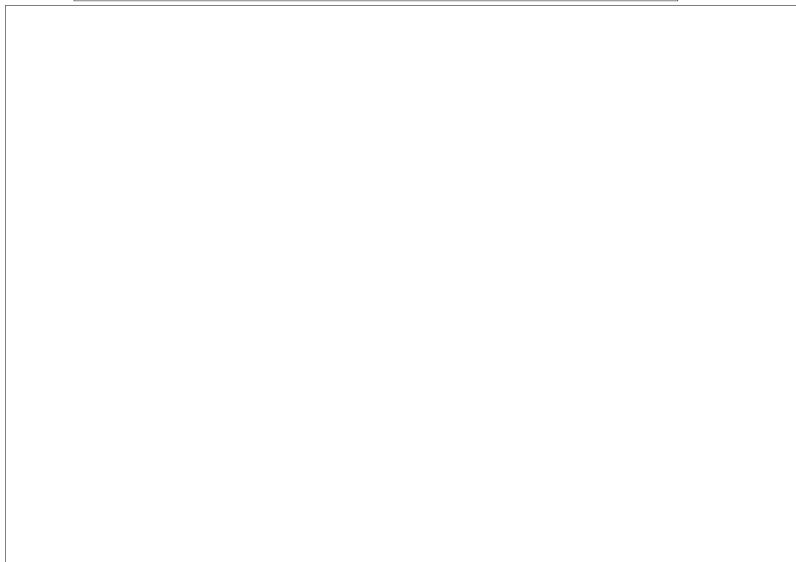
Little of substance is likely to come out of the talks in Warsaw. Since January, the two governments have signed separate commercial and shipbuilding accords and a five-year agreement on economic cooperation.

FOR THE PRESIDENT ONLY

SYRIA-ISRAEL



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OPEC

The OPEC oil ministers meeting, which opens today in Vienna, could promote moderation and conciliation toward the Western consuming nations.

The interim agreement between Egypt and Israel arranged since the last OPEC ministerial meeting in June, while not giving the Arabs everything they wanted, is at least perceived as a positive step toward meeting Arab demands. Concessions by the West on issues raised in March at the first preparatory conference of oil consumers and producers should also mollify most OPEC states. In addition, conciliatory proposals made at the UN Special Session on developing country problems have lessened the atmosphere of confrontation that has marked past sessions on similar topics. Even Algeria, usually the loudest voice demanding "justice," was muted if not constructive.

The fragile state of the world economy has impressed several of the cartel members who think that an increase now in the price of oil--greater than 15 percent--would undermine Western economic recovery. They contend that an aborted recovery would continue to depress demand for OPEC oil and heighten problems several members have had adjusting their production. Most of the members feel an increase of 5-10 percent at this time, perhaps followed by another rise in January, would not substantially slow the Western recovery.

The OPEC states are generally aware that something must be done to help the poorer countries if OPEC is to retain their support. The oil importing developing countries argue that unless they receive additional economic assistance, price hikes by OPEC will retard further their lagging economic development. As a result, OPEC will probably couple its small price increase with an ostensibly generous aid package.



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FOR THE PRESIDENT ONLY

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The government of Panama apparently did not sponsor the student attacks on the US embassy yesterday, but General Torrijos will use them to buttress his contention that popular patience with the treaty talks is wearing thin.

Torrijos and his chief lieutenants probably still believe they can control the tempo of student protests but further demonstrations, possibly with government connivance, are likely. Torrijos made an unscheduled trip to Bogota Monday to see Colombian President Lopez on the eve of Lopez' trip to the US, presumably to ask the Colombian to put in a word for Panama in Washington. Torrijos hopes it will help get US concessions if Latin American leaders make demarches stressing the need for a new canal treaty to avoid a popular explosion and a souring of US - Latin American relations.

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[redacted] Soviets [redacted]
[redacted] Somalia [redacted]

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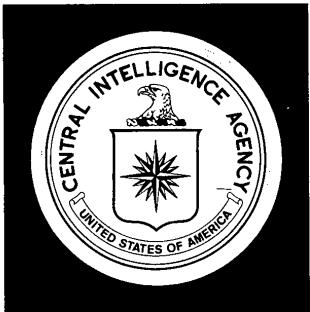
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The US embassy in Laos may be the target of demonstrations this week.

Former embassy guards are threatening to appear at the embassy gates tomorrow to demand additional severance pay. Their number could be augmented by Pathet Lao sympathizers. Communist-inspired harassment of the embassy stopped in late June, but the attitude of the Lao government toward continued relations with the US has been somewhat ambiguous. A major demonstration would suggest that the communists are intent on further moves against the remaining US presence.

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The President's Daily Brief

September 25, 1975

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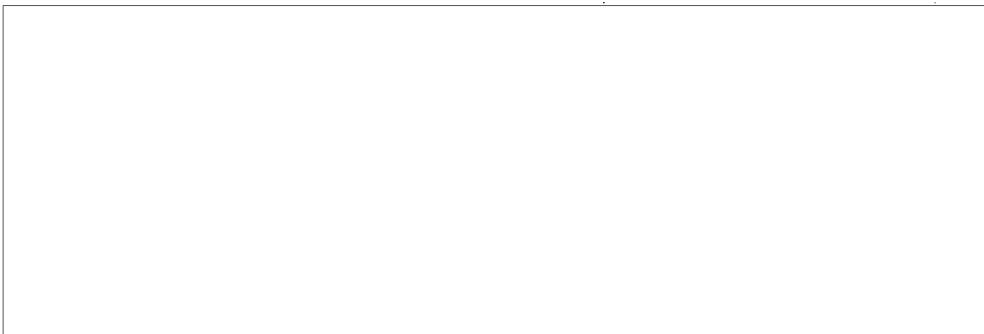
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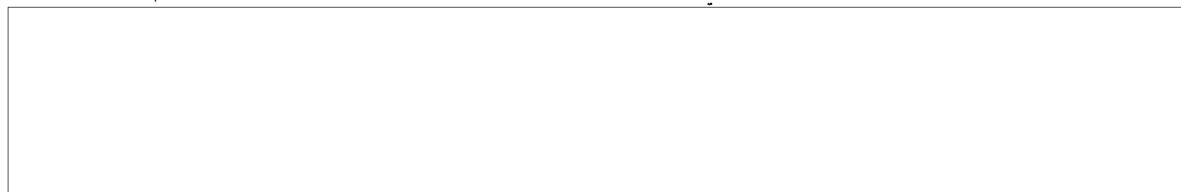


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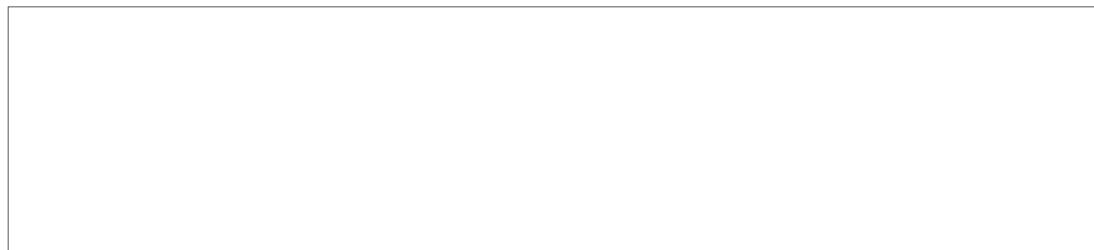
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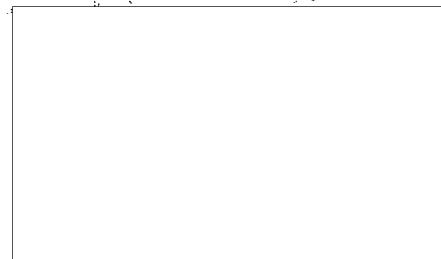
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FOR THE PRESIDENT ONLY

September 25, 1975

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<u>Lebanon:</u> Fighting continued in Beirut yesterday as the agreement announced by Prime Minister Karami failed to be implemented. Our embassy there believes time is running out.	25X1
 <div style="border: 1px solid black; width: 100%; height: 1.2em; margin-top: 0.5em;"></div>	25X1
<p>(Page 1)</p> <p><u>Portugal:</u> The Communist Party has suffered additional setbacks. (Page 3)</p> <p><u>Notes:</u> USSR; UN-Israel; Colombia; USSR-Norway; NATO-Turkey (Pages 4 and 5)</p>	

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

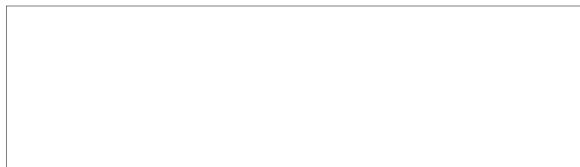
LEBANON

Fighting continued in Beirut yesterday as the agreement announced by Prime Minister Karami failed to be implemented.

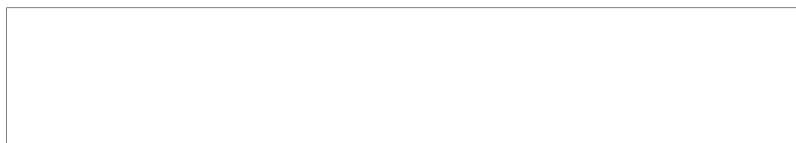
Our embassy in Beirut reports that, although there still is hope that Syrian Foreign Minister Khaddam will achieve a settlement, time is running out. Syrian Chief of Staff Shihabi, who accompanied Khaddam to Beirut, returned to Damascus on Tuesday, and Khaddam told reporters he was returning today. Failure of the Syrian mediation effort would increase the chance for Lebanon to slide into a full-scale civil war.

Our embassy also reports that tensions in Zahlah, the scene of fighting between Muslims and Christians late last month, and in other areas are rising. Clashes also have been reported in the southern outskirts of Beirut between members of the Druze sect and Christians. There has been little involvement in the conflict thus far by the Druze, who tend to identify with the Muslims. Sustained Druze-Christian fighting could be an extremely serious complication to the situation.

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Publicly, top Israeli leaders are keeping their comments about the situation in Lebanon to a minimum in an apparent effort to avoid inflaming the situation.

Foreign Minister Allon gave the most direct expression of Tel Aviv's primary concern in a recent press interview when he warned Syria not to interpret the reluctance of the great powers to intervene in Lebanon as giving Damascus a free hand there. Israel, he said, will not intervene as long as the conflict is confined to the Lebanese themselves. Two days ago an unnamed Israeli official was quoted as telling newsmen that Tel Aviv would intervene only if it judged that its security was threatened. The official warned that Syrian intervention could lead Israel to conclude such a threat existed.

Meanwhile, hostilities along the Israel-Lebanon border are at a relatively low level. The Israeli military probably has assumed an increased state of readiness along the border

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FOR THE PRESIDENT ONLY

PORUGAL

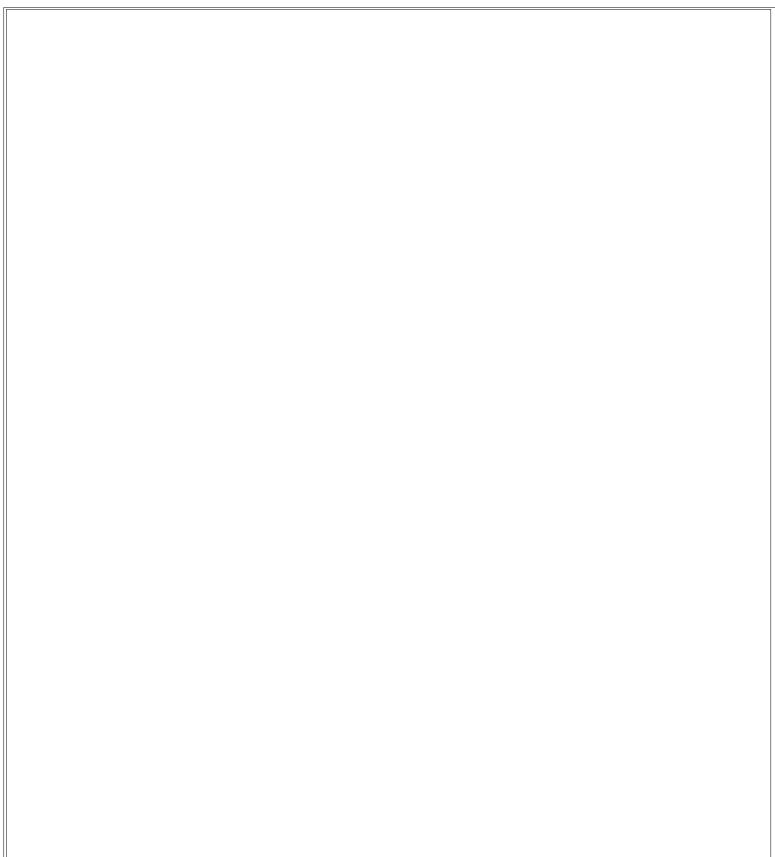
The Communist Party suffered the latest in a series of setbacks on Tuesday when the cabinet named 11 new secretaries of state and gave the Communists only one of the posts.

The cabinet also announced that a navy man friendly with Major Antunes has been named Prime Minister Azevedo's chief of the cabinet. It had been rumored that the post might go to the pro-Communist admiral who headed the military propaganda branch. Another announcement upsetting the Communists was the cabinet's statement that the decrees issued in the waning days of the Goncalves government now will be reexamined. The Communists had pressed for the promulgation of these decrees as testament to the new government's fidelity to the revolution.

Maneuvering by all of the political parties, meanwhile, is intensifying. The Socialists, with the help of their allies, are beginning a campaign to challenge Communist domination of the national trade union confederation. The Socialists already have registered a clean-sweep victory in the most important white-collar unions, but will have a difficult time with the blue-collar organizations.

Some strains have appeared among these parties, however. The former Popular Democratic Party leader, Sa Carneiro, made some injudicious statements against the military during his campaign to regain control of his party. His comments seem certain to antagonize the party's military supporters. Socialist leader Mario Soares also probably has antagonized some followers by commenting to the London *Times* that social democracy is not applicable in Portugal and the country needs "a complete modification of its economic structures." Soares added that the purpose of the new government program is not to correct unjust aspects of capitalism, but to destroy it. He has been soft-pedaling these views in recent months, probably to avoid antagonizing Western supporters. He now may feel that he has to demonstrate the difference between his party and the conservative Popular Democrats, who can be challenged as reactionaries by the Communists.

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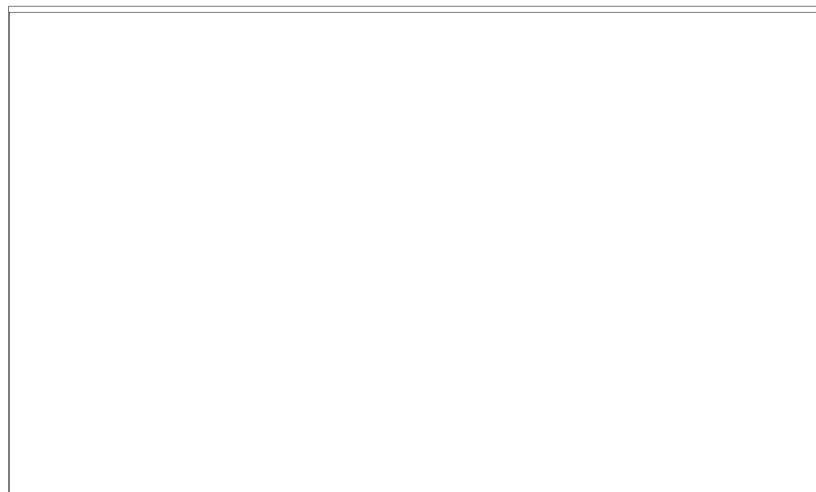


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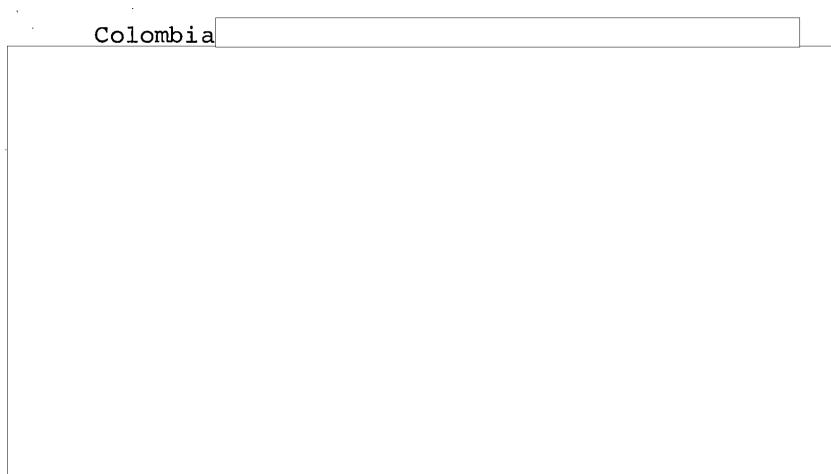


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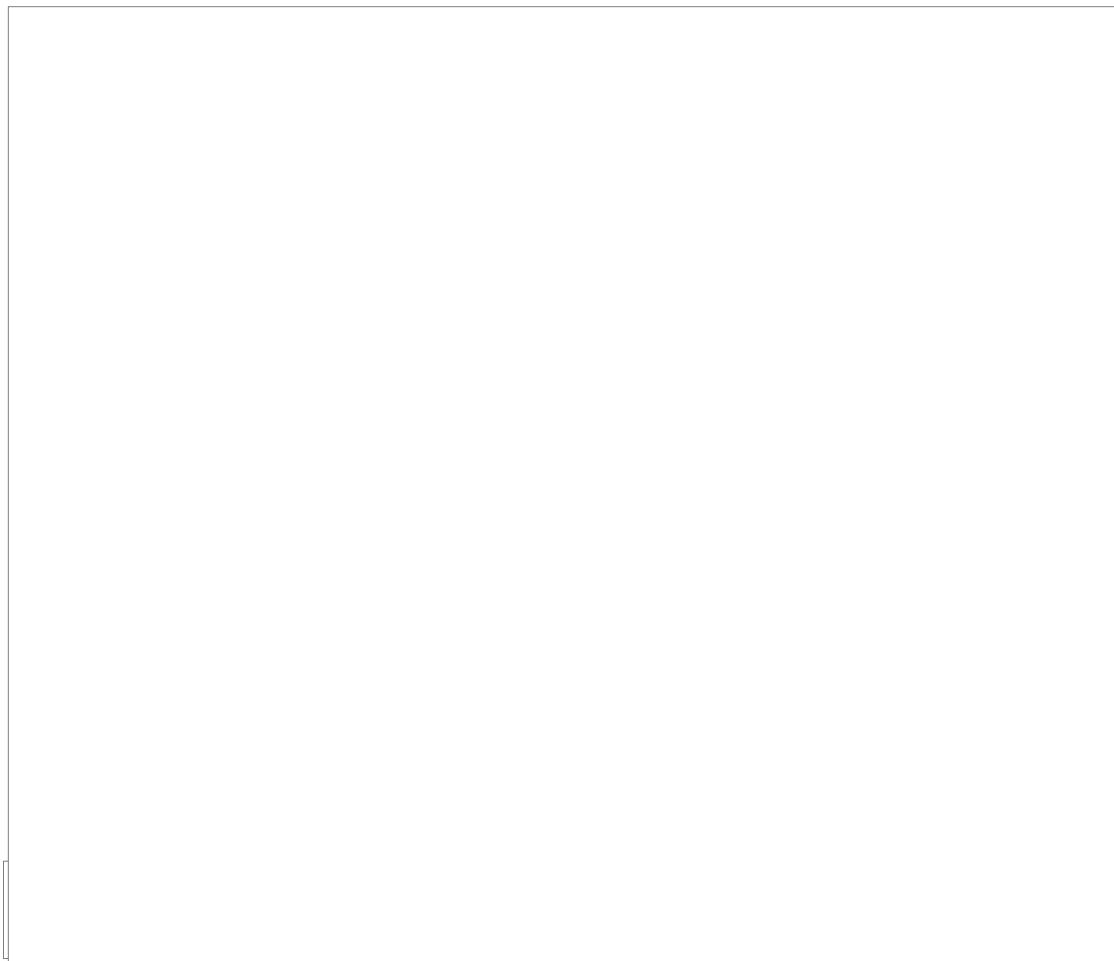


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FOR THE PRESIDENT ONLY

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Recent Soviet missile firings into a disputed area of the Barents Sea appear to be designed to strengthen Moscow's position in bilateral negotiations with Norway.

The Norwegians, while admitting that the impact area is in international waters, have expressed concern because of the danger to fishing and navigation. Both countries have claimed the impact area as part of their continental shelf in negotiations to delimit boundaries in the Barents Sea. The next round of boundary talks begins in November. The missile firings are likely to demonstrate to the Norwegians that the Soviets are apt to be inflexible on the disputed area.

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The President's Daily Brief

September 26, 1975

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FOR THE PRESIDENT ONLY

September 26, 1975

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Oil: OPEC oil ministers probably started today's price-fixing meeting with a recommendation for a rise in the range of 10 to 15 percent. (Page 1)

USSR: Recent Soviet purchases of grain, if confirmed, will raise total contracts to 20 million tons, still 25 to 30 million tons below the minimum requirements for fiscal 1976. (Page 2)

LEBANON: The fighting in Beirut has tapered off, but no solution to the underlying Christian-Muslim political impasse is in sight. (Page 3)

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Syria: [redacted] (Page 4) 25X1

MBFR: The current round of talks beginning today in Vienna will be seen by West Europeans as the first major test of the "spirit of Helsinki." (Page 5)

Portugal: A demonstration against the government last night by leftist soldiers is a sign of how far the government has to go to restore military discipline. (Page 6)

Notes: USSR; China; North Korea - South Korea; India-Bangladesh (Pages 8 and 9)

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

OIL

The OPEC oil ministers adjourned yesterday without reaching a decision on prices. Another session is to begin today at 6 a.m. Washington time in an effort to reach a compromise.

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Most members support a rise of about 15 percent, but Saudi Arabia, and perhaps one or two others favor a smaller rise.

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The ministers met formally yesterday for about an hour, and then broke into small groups to discuss the price issue. Saudi Oil Minister Yamani left the meeting early, and, referring to his efforts to hold the price increase to less than 10 percent, told the press that "We are facing terrible opposition."

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The meeting broke up about an hour after Yamani left, and the other ministers indicated to the press that the proceedings were deadlocked.

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It is doubtful the Saudis will veto a 15-percent increase. Yamani told the press in London that he did not think he could agree to more than a 5-percent rise in oil prices. He did not, however, say he would veto a larger increase, and the Saudis may abstain today.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

USSR

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[redacted] the USSR recently bought about three million metric tons of wheat and other grains.

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these purchases would raise total Soviet grain contracts to nearly 20 million tons, still 25 to 30 million tons below their minimum requirements for fiscal 1976.

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The recent purchases probably have been concluded with Canada, Argentina, Brazil, Spain, and the European Community. Additional purchases of grain are a virtual certainty once the US and Canadian moratoriums are lifted.

In addition to these grain purchases, the Soviets have bought 1.5 - 2 million tons of Brazilian soybeans, and another contract for one million tons is likely.

The Soviets are taking drastic steps to cope with their poor harvest. Officially released data on meat production and herd numbers in August confirm that distress slaughtering has begun. Soviet willingness to pay high rates for grain shipped on US ships is indicative of their need.

We still estimate the Soviet grain harvest this year at 170 million tons.

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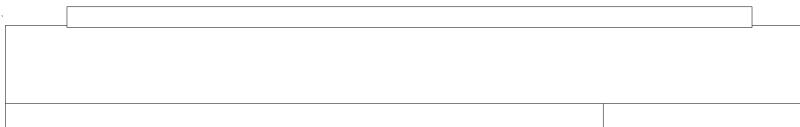
FOR THE PRESIDENT ONLY

LEBANON

The fighting in Beirut tapered off yesterday, but armed militiamen did not withdraw from the barricades in some areas and no solution to the underlying Christian-Muslim political impasse is in sight. One of the principal obstacles to Christian-Muslim reconciliation appears to be the adamant refusal of conservative Christian leaders--including President Franjiyah--to make any meaningful concessions to the Muslims.

A leader of the Maronite Christian community informed Ambassador Godley that Franjiyah and Phalangist leader Jumayyil told a meeting of Maronite leaders on Tuesday that they would refuse to consider any modification of the existing Lebanese political structure. Many less conservative Christians are convinced that compromise is the only way out. By now, Franjiyah is so discredited that he is not likely to survive in office for long.

Jumayyil apparently sees himself as the only barrier to an arrangement that would alter the Lebanese political system in favor of the Muslims. His intransigence is playing into the hands of those leftists and radical fedayeen groups determined to keep the conflict going.



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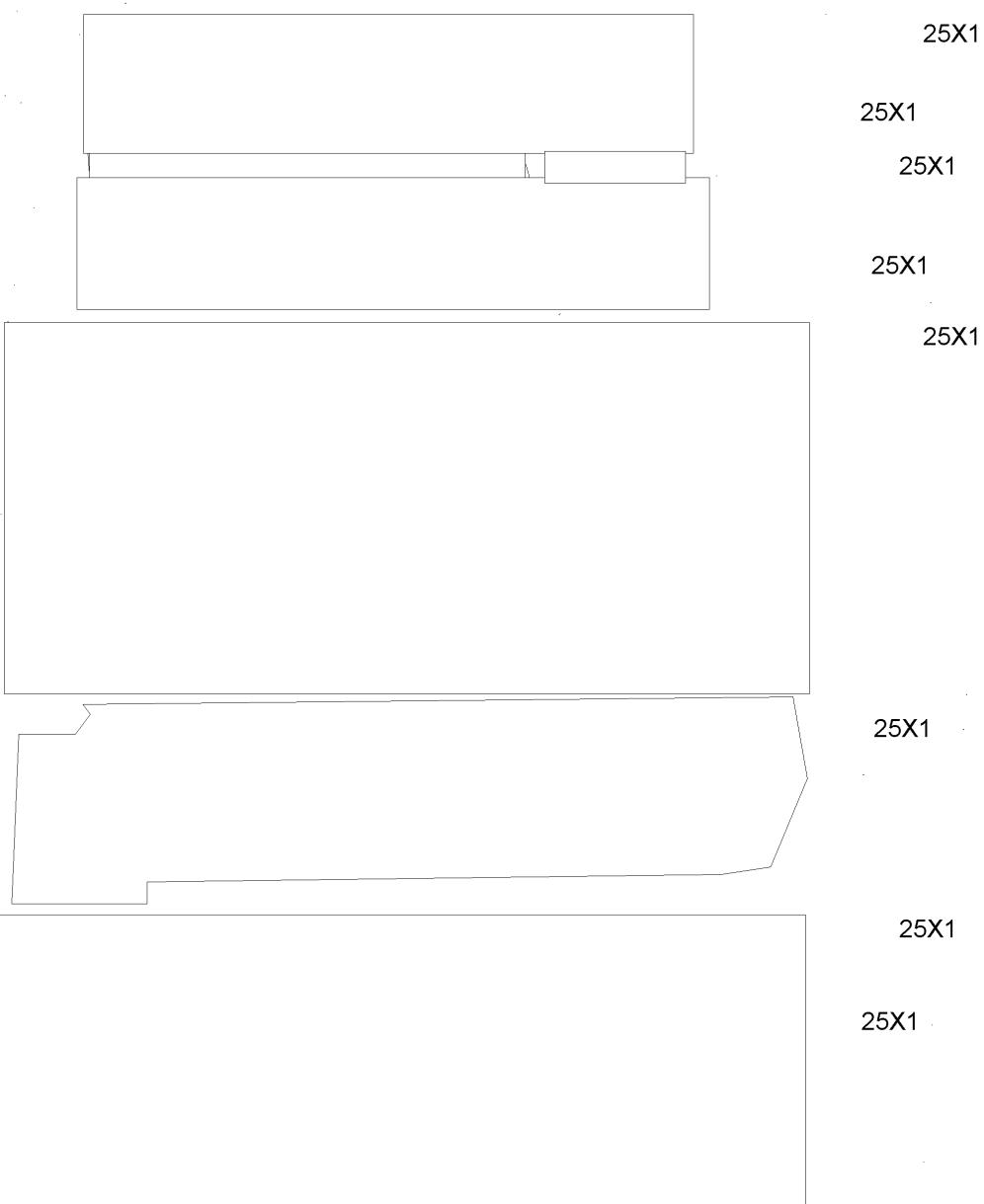
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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

SYRIA

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MBFR

The force reduction talks, which re-open today in Vienna will be seen by West Europeans as the first major test of the "spirit of Helsinki." Some progress is anticipated in this round of the negotiations if the West can reach agreement on its long-awaited nuclear proposal.

The East has encouraged the belief that once a CSCE agreement had been concluded, progress at MBFR would follow. General Secretary Brezhnev--along with many Western leaders--has underlined the need to give priority attention to reducing armed forces in Central Europe.

Progress in Vienna may come when the West is able to overcome the reservations of some Europeans to the nuclear proposal that the US introduced in NATO last summer. Differences remain on two key areas in the plan: limitations on Allied armaments and the definition of a common ceiling for Warsaw Pact and NATO forces.

The West Germans are concerned that the introduction of the proposal may shift the emphasis at the MBFR talks from troop reductions to broader questions involving armaments. Both the Germans and the British are determined to use the nuclear plan to buy more than a formal commitment to a common ceiling, but they have not yet decided what the additional commitment should be. Western agreement to include air manpower in the common ceiling also has made it increasingly difficult to keep the focus on East-West ground force disparities.

FOR THE PRESIDENT ONLY

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PORUGAL

Several thousand Portuguese soldiers staged a peaceful anti-government demonstration in Lisbon last night, defying the new government to restore order and enforce military discipline. The enlisted men, members of an extreme-left organization called "Soldiers United Shall Win," demanded a more revolutionary government.

The demonstration is the latest in a series of breaches of military discipline that the government shall have to deal with if it is going to establish its authority. Other examples include:

- Anti-government demonstrations by the same organization in the northern city of Porto and in Sacavem, a Lisbon suburb.
- The theft of at least 1,000 automatic rifles from a military arsenal by a security forces officer, who later boasted that he had turned them over to "revolutionary workers."
- Creation of a second revolutionary enlisted men's organization in the Lisbon Military Region dedicated to ensuring a "progressive" orientation for the Armed Forces Movement.
- Refusal by military police to obey orders to go to Angola.

Military police clashed with hundreds of jobless Angolan refugees in Lisbon on Wednesday. Because of their well-publicized leftist leanings and their refusal to embark for Angola, the military police are special targets for the wrath of the returnees. According to the US embassy, army chief of staff Fabiao held a meeting with military region commanders and other key officers on Wednesday to discuss deteriorating discipline. The subject reportedly was also taken up at length yesterday in the Revolutionary Council.

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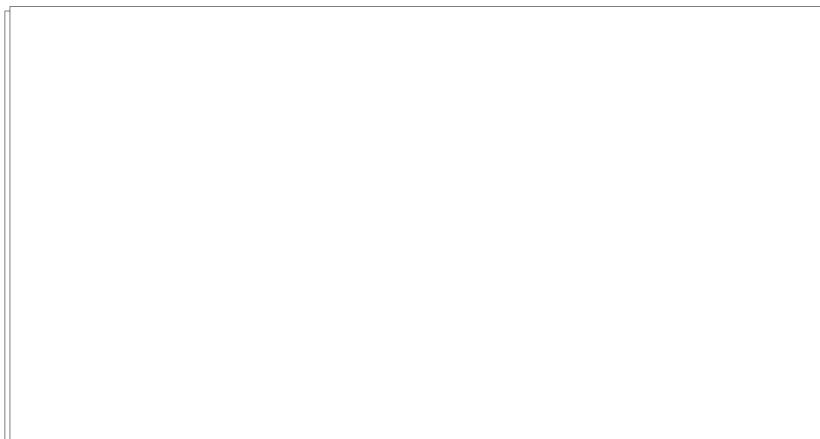
FOR THE PRESIDENT ONLY

Before it can hope to impose discipline, the Council will have to restrain two of its own members, Admiral Rosa Coutinho and General Carvalho, both leaders of the extreme left nationalist faction. Upon their return yesterday from Sweden, the two officers made statements which can only encourage the unruly troops. Rosa Coutinho described both last night's demonstration and the Communist-backed steel-workers' strike on Wednesday, which was an open challenge to the new anti-Communist labor minister, as "justified warnings." Not to be outdone, Carvalho said he was not worried that arms had been handed over by one of his security officers to leftists. He would be worried, Carvalho said, if the weapons had gone to the rightists.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

NOTES



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Chinese Premier Chou En-lai's health apparently has taken a turn for the worse.

Chou failed to meet North Vietnamese party chief Le Duan and British former prime minister Edward Heath during their visits to China this month. Both visitors met Chairman Mao and would normally meet Chou. [redacted]

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[redacted] The Chinese press is not keeping Chou's fragile health a secret. It published the remarks of Cambodian Deputy Prime Minister Khieu Samphan last month that Chou was "not in the best of health."

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FOR THE PRESIDENT ONLY

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North Korea has reacted negatively to our recent joint proposal with South Korea for a conference aimed at easing tensions.

A Pyongyang foreign ministry statement yesterday was mild in tone by North Korean standards, but contained a point-by-point rejection of well-established US - South Korean recommendations. The North Koreans refused to acknowledge that the US - South Korean proposal contains a major new element--the call for a conference on Korea initially to be attended by the parties directly concerned with the armistice (the US, North and South Korea, and China). There is no doubt that Pyongyang is opposed to the conference at this time. The North Koreans may well have labeled it "nothing new," rather than rejecting it outright in order to minimize charges that they are obstructionist and unwilling to engage in dialogue--a consideration of some importance as the vote at the UN on competing Korean resolutions nears. The North Koreans are probably concerned that the new US initiative could benefit the US and South Korea tactically in the General Assembly.

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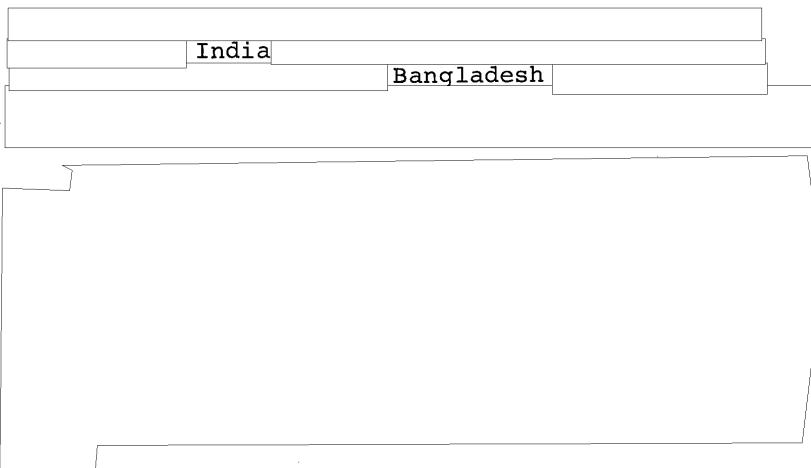
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The President's Daily Brief

September 27, 1975

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

September 27, 1975

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Lebanon: The fragile truce in Beirut appeared to be taking hold yesterday, but scattered shooting broke out last night. (Page 1)

Portugal: The country's anti-communist leaders have set up a new security force in an effort to restore military discipline. (Page 2)

Cuba: Some Cuban officials have defined US demands for compensation as the most contentious of the negotiable issues between Washington and Havana. (Page 3)

Japan: [Redacted] 25X1

(Page 4)

Oil: OPEC ministers will meet again today to seek agreement on the increase of oil prices.
(Page 6)

Notes: South Africa - Angola; USSR; North Vietnam - China; SEATO (Pages 7 and 8)

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

LEBANON

The fragile truce in Beirut appeared to be holding yesterday, but last night scattered shooting broke out in the eastern suburbs. Our embassy in Beirut believes there is only a 50-percent chance the cease-fire will last.

War weariness and ammunition shortages on both sides have helped hold down the fighting. The key calming factor, however, has been the convening of the national reconciliation committee. So far, the committee has achieved very little, as neither the Christians nor the Muslims have shown a willingness to compromise. A major breakdown of the cease-fire before the committee's next meeting on Monday probably would wreck the reconciliation effort and could lead to full-scale civil war.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

PORUGAL

The country's new anti-communist leaders have set up a "military intervention group" in an effort to restore military discipline and put an end to leftist soldiers' defiance of the new government.

The group, which will be headed by an army general who will report directly to President Costa Gomes, was formed by the Revolutionary Council, presumably to put down communist and extreme-leftist demonstrations like the one on Thursday that was led by leftist soldiers. The relationship between the group and the present internal security command--led by General Carvalho--is not clear, but its establishment appears to be a direct slap at Carvalho, whose extreme leftist political views are out of step with the anti-communist majority in the Revolutionary Council. Carvalho's command is badly fragmented politically, and the Council probably feels it cannot be relied upon.

Carvalho's membership in the Council itself could be in jeopardy because he occupies a position reserved for the security forces chief. Army chief Fabiao also may be the target of the Council's action because he has called for military discipline but has failed to enforce it among his troops.

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

CUBA

Some Cuban officials have defined US demands for compensation as the most contentious of the negotiable issues between Washington and Havana.

These officials view the US and Cuban claims as political problems that involve matters of principle on both sides and therefore see the solution as some sort of a "formula" allowing both sides to save face. Fidel Castro reportedly has suggested as one possibility scaling Cuban demands for reparations to match US demands for compensation, so that no actual payment would be required by either side.

The Cubans believe that agreement on the Guantanamo naval base will not be difficult because both sides recognize that its strategic importance is minimal. They claim Cuba is interested in its commercial potential, not its military value, which suggests that they may be amenable to some type of agreement prohibiting the military use of the base by a foreign power. They say that Cuba wants the US to evacuate the base eventually, but has set no particular timetable for our departure.

Havana's leading proponent of reconciliation with the US [redacted] is worried that Cuba's activities on behalf of Puerto Rican independence have damaged prospects for a normalization of relations. [redacted] admits to having underestimated US sensitivity on the subject but alleges that Cuba served as a restraining influence at the Puerto Rican solidarity conference in Havana in early September by rejecting a motion to create a permanent organization for coordinating pro-independence activities.

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[redacted]
[redacted] it is probably true that Havana, [redacted]
[redacted] changed its mind about creating a permanent coordinating body, presumably after learning of the strong diplomatic representations made by the US to Cuba's supporters in the UN. This indicates that Havana is indeed willing to temper, at least temporarily, its activities on behalf of Puerto Rican independence in order to avoid torpedoing altogether chances for a Cuban-US reconciliation.

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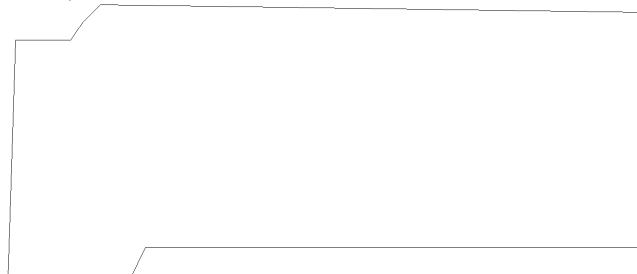
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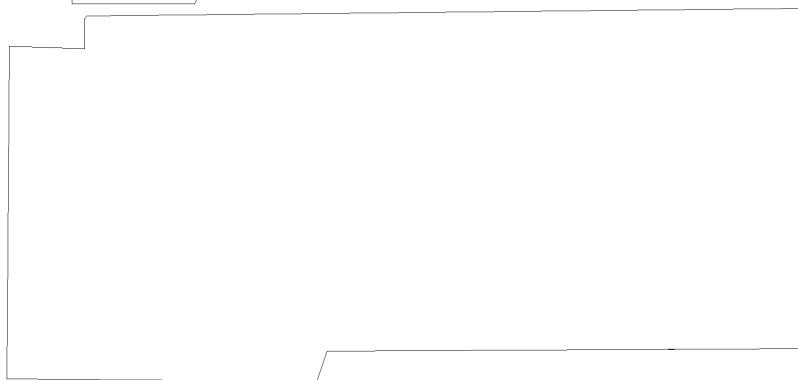
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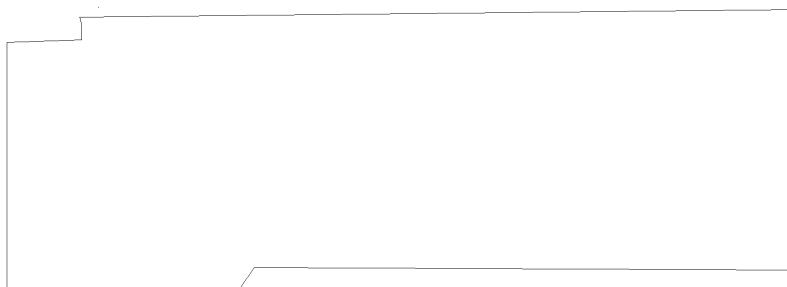
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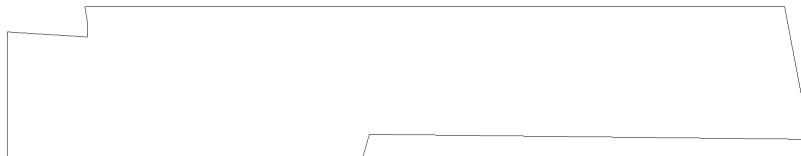
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OIL

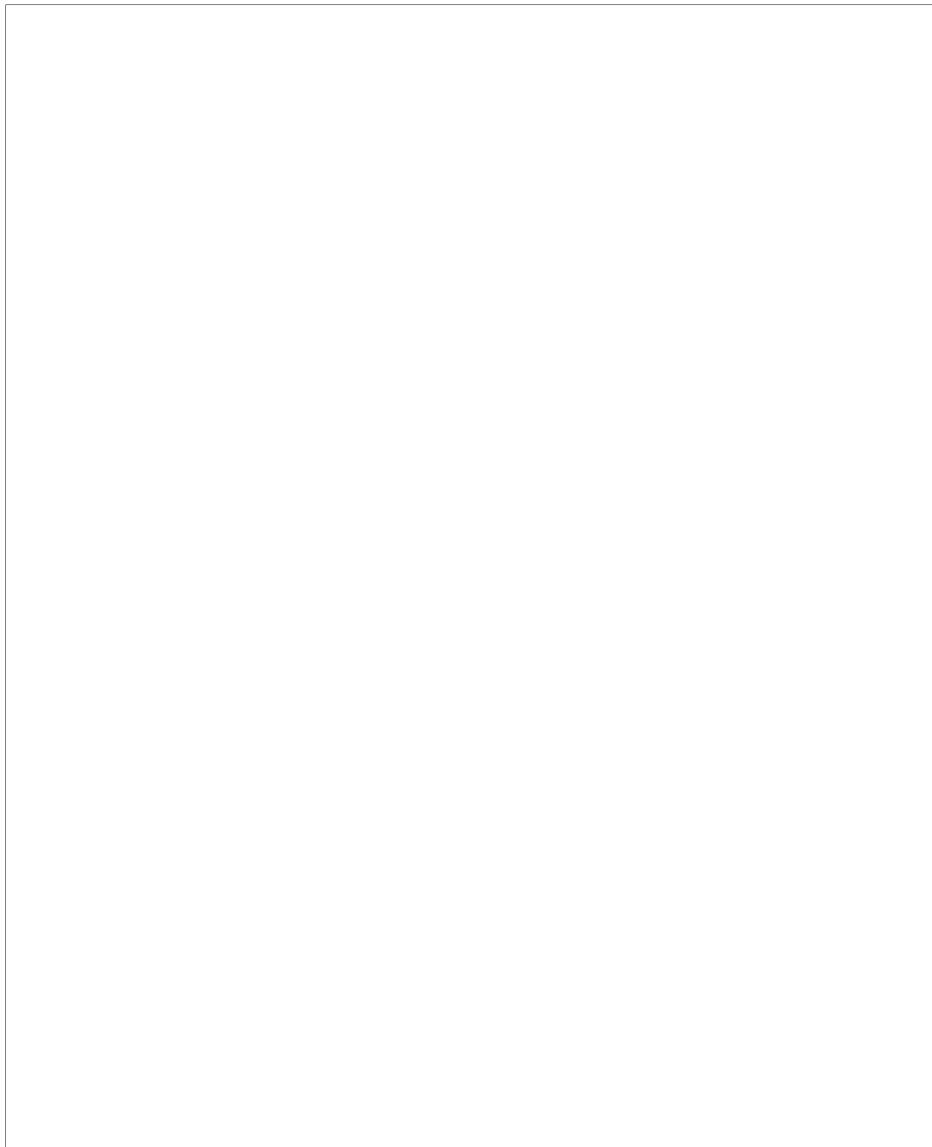
Members of the Organization of Petroleum Exporting Countries failed again yesterday to reach agreement on the size of the price increase. They will attempt to break the impasse today.

Saudi Oil Minister Yamani is apparently maintaining his opposition to any increase larger than 5 percent on October 1, and an additional 5 percent in January. Most other OPEC states--led by Iran--are still pressing for at least a 15-percent price increase.

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NOTES

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<u>South Africa</u>	
	<u>Angola</u>

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Soviet General Secretary Brezhnev appeared rested, relaxed, and relatively energetic during his meeting Monday with the Apollo-Soyuz crews, according to our embassy in Moscow.

Brezhnev's comments were made extemporaneously, without hesitation or searching for words, and his enunciation was considerably better than has recently been observed. He did not appear to be tiring during the 35-minute meeting. One of the purposes of Brezhnev's appearance may have been to demonstrate that he is in good health and is capable of vigorous leadership.

(continued)

FOR THE PRESIDENT ONLY

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The only concrete result thus far of North Vietnamese party chief Le Duan's visit to China is a terse announcement on Chinese economic assistance.

The talks may have encountered difficulties inasmuch as, in contrast with normal practice, neither side has yet issued a communique on the visit. The agreements signed on Thursday call for an interest-free loan and a supply of "general commodities" to North Vietnam in 1976. The reference to an interest-free loan is new and suggests that Peking has altered its view of economic aid responsibilities to Hanoi, and feels itself less obligated to provide grant aid.

* * *

The annual council meeting of the Southeast Asia Treaty Organization this week decided to phase out the organization over the next two years.

It was implicitly agreed that the Manila Pact, the legal underpinning of the organization, would remain in force in response to Thai desires. The Philippines did not press its proposal to terminate the pact along with SEATO.

Top Secret



The President's Daily Brief

September 29, 1975

[Redacted]

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declassification schedule of E.O. 11652
exemption category 5B(1)(2),(3)
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FOR THE PRESIDENT ONLY

September 29, 1975

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FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

LEBANON

The cease-fire in Beirut continued to hold over the weekend, and the atmosphere for today's meeting of the national reconciliation committee has improved. Isolated clashes between Christians and Muslims have occurred in the suburbs, however, underlining the fragility of the truce.

There is still little public sign of compromise by Christians and Muslims. Socialist leader Jumblatt declared on Saturday that there would be no reconciliation with the Phalanges Party before basic leftist demands are met.

In contrast to this public intransigence, the major political forces are cooperating with the security forces. Fedayeen representatives have agreed [redacted] to deny their arms depots to all factions. The Phalangist representatives, meanwhile, have allowed police to take control of barricades under Phalangist control.

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EGYPT

The first open opposition to the Sinai disengagement agreement surfaced in Cairo last week when leftist students conducted three days of protest demonstrations at a Cairo university.

The demonstrations were confined to the campus and apparently were finally quelled when police arrested several of the agitators. The students are traditionally prone to agitation and susceptible to leftist blandishments. Authorities had hoped, however, that they would refrain from open protest until the beginning of the school year in mid-October.

The majority of Egyptians still appear to support the agreement. Student demonstrations nonetheless have worried government officials, who apparently have censored press coverage of the protests. The lack of publicity given to this domestic criticism is in contrast to the full coverage being given to criticism from other Arabs. Egyptians deeply resent this foreign criticism, and it has served to rally support for President Sadat.

FOR THE PRESIDENT ONLY

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PORUGAL

Portuguese troops occupied all radio and television stations early this morning on orders of Prime Minister Azevedo, according to press reports. Azevedo issued the orders in his capacity as acting president; President Costa Gomes is in Warsaw to begin a week's official visit to Poland and the USSR.

The move was taken by Azevedo as tension mounted between Portugal and Spain over the violent demonstrations in Portugal against the execution of five Spanish terrorists on Saturday. A government statement said the action was intended to prevent media exploitation of the event to stir up anti-Spanish agitation. Portugal, which depends on Spain for much of its water and electricity, has already expressed regret and promised to pay for the damage caused when demonstrators attacked the Spanish embassy in Lisbon and a consulate in Porto over the weekend.

The occupation may also be directed against the Communists and could be part of a government move to break their stranglehold on the media. Azevedo said that he would address the nation later today to explain his actions.

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OPEC

The agreement of the Organization of Petroleum Exporting Countries to raise the price of their crude oil by 10 percent as of October 1 will cost oil-importing nations some \$11 billion annually.

The increase for major oil importers will be:

Million US\$

United States	2,500
Japan	1,900
West Germany	950
France	900
United Kingdom	700
Italy	700

The adverse impact on growth, although substantial, is difficult to quantify. Economic policy-makers in most industrial countries had anticipated that OPEC would raise oil prices by at least 10 percent and taken the rise into account in formulating their programs for economic expansion.

FOR THE PRESIDENT ONLY

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NOTES

Indonesian President Suharto is sending Foreign Minister Malik to Portugal in an effort to break the current impasse over Portuguese Timor.

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Suharto still wants Lisbon to organize a multilateral peace-keeping force in Timor. Portugal, meanwhile, continues to call for a negotiated settlement, but is unable to enforce its will there. Now that the worst bloodshed is over and most Portuguese citizens have been evacuated, Lisbon has less reason to authorize Indonesian intervention.

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India

Bangladesh.

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The President's Daily Brief

September 30, 1975

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declassification schedule of E.O. 14176
exemption category 5B(1),(2),(3)
Declassified only on approval of
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Portugal: Prime Minister Azevedo's move on the media yesterday is the toughest action his new government has taken to implement its promise to restore democratic pluralism to the media and discipline to the military. (Page 1)

Lebanon: Neither the Phalangists nor their leftist opponents indicated any relaxation in their respective positions at yesterday's meeting of the national conciliation committee. (Page 2)

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[Redacted]

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(Page 3)

Mauritius:

[Redacted]

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(Page 4)

Jordan-Syria:

[Redacted]

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(Page 6)

Cuba: Castro's strong endorsement for the cause of Puerto Rican independence Sunday apparently was intended as a response to what he labeled "strong statements" by US officials. (Page 7)

Notes: Saudi Arabia; USSR-Libya; USSR (Page 8)

FOR THE PRESIDENT ONLY

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PORUGAL

Prime Minister Azevedo's move on the media yesterday is the toughest action his new government has taken to implement its promise to restore democratic pluralism to the media and discipline to the military. If he is forced to back down, it will be a serious blow to his credibility and the long-term prospects of his government.

The Prime Minister is running into some trouble. All radio and television stations have been occupied by security troops, but the stations are ignoring Azevedo's orders that his communiqué be read every 15 minutes and that all news not received from official sources be subject to government censorship. Security forces have sided with the workers in at least one station. Representatives of the occupied stations held an inconclusive meeting with security chief Carvalho and Information Minister Almeida Santos last night. During the meeting, demonstrators outside demanded removal of the troops from all stations and threatened otherwise to take back the stations by force.

Azevedo told the nation in a speech last night that his action is intended to end the media's encouragement of civil disruption and its exploitation of indiscipline in the armed forces. He issued the order as acting president while Costa Gomes, who is well-known for temporizing and compromising, is out of the country visiting Poland and the USSR. Both the new cabinet and the top military leadership unanimously supported Azevedo's decision.

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LEBANON

The national conciliation committee apparently dealt chiefly with matters affecting the cease-fire at its second meeting yesterday. It has only begun to solicit ideas on coping with the causes of violence. Prime Minister Karami announced that the committee had agreed on steps to remove street barricades, silence snipers, close down clandestine radio stations, and stop kidnapings.

Neither the Phalangists nor their leftist opponents indicated any relaxation in their respective positions at yesterday's meeting. Phalangist leader Pierre Jumayyil, for example, insists on discussing the question of the Palestinians in Lebanon--a matter most other participants would prefer to avoid.

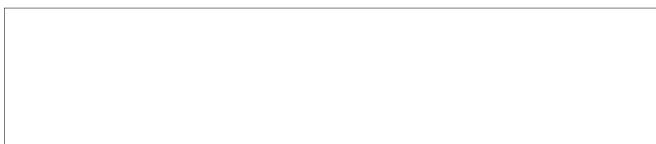
The composition of the committee is also complicating the talks. Leaders of the conservative wing of the Shia Muslims and at least two small Christian groups complain that they are underrepresented. To meet their objections, Karami is reportedly trying to expand committee membership. He is being vigorously opposed in this effort by Kamal Jumblatt's leftists.

The security situation in Beirut improved yesterday, and shops and stores began to reopen. Most banks were closed but were expected to reopen today. The army is enforcing security in the commercial sections of Beirut, leaving the internal security forces and the Palestine Liberation Organization responsible for other areas of the city.

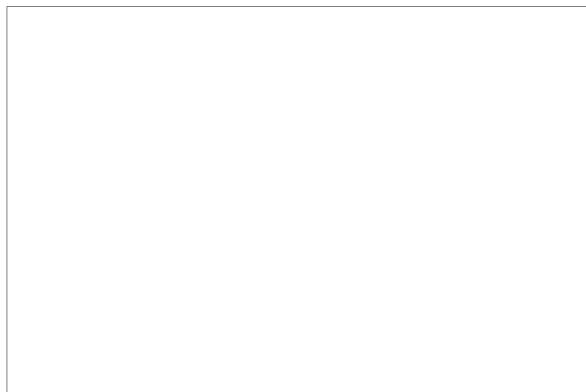
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THAILAND



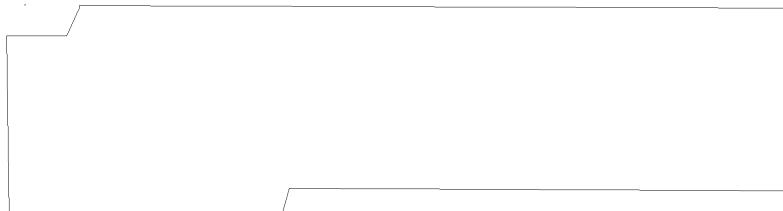
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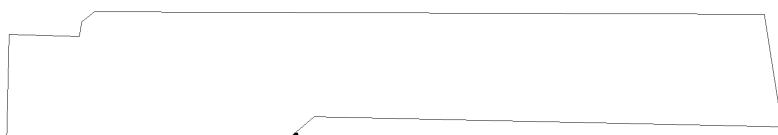
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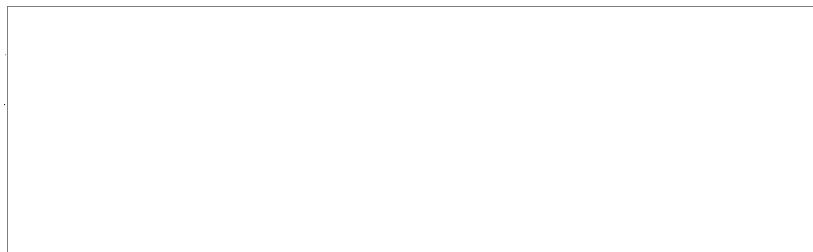
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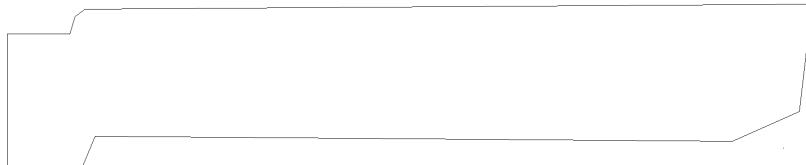
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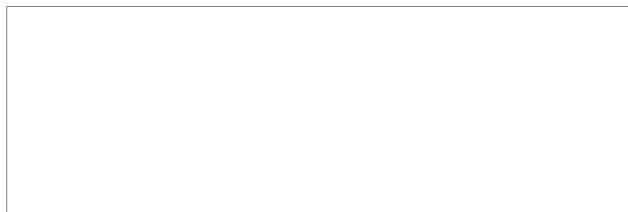


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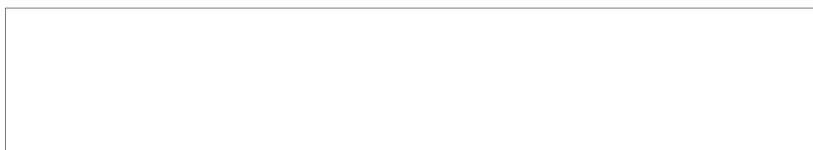
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JORDAN-SYRIA



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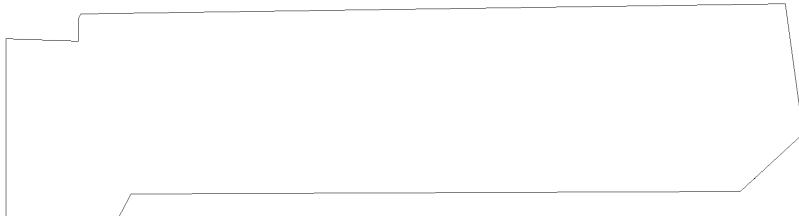
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CUBA

Fidel Castro's strong endorsement for the cause of Puerto Rican independence during his speech on Sunday apparently was intended as a response to what he labeled "strong statements" by US officials.

Castro spoke briefly about Puerto Rico and the US in a long speech otherwise devoted to domestic affairs. He implied that Cuban solidarity with the cause of Puerto Rican independence is a matter of principle and will not be renounced in order to improve relations with Washington. He added "if that is not understood, we will know how to be as patient as necessary."

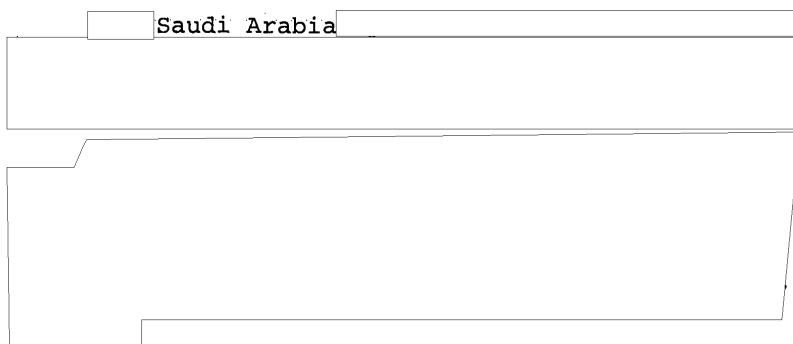
Contrary to some press accounts of the speech, Castro did not depart from the now standard Cuban position regarding Puerto Rico. Nothing he said, however, indicated a retreat from his stated willingness to begin negotiations with the US to settle differences.

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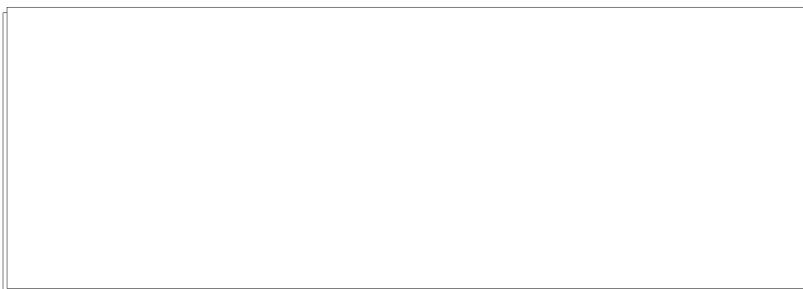
Four [redacted] TU-22 medium bombers Libya purchased last year from the Soviet Union were delivered yesterday.

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