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The President's Daily Brief

March 12, 1974

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

March 12, 1974

PRINCIPAL DEVELOPMENTS

Although Pompidou's visit to Moscow this week is likely to be routine, the French President has strong personal and political reasons for wanting to portray the trip as a success. (Page 1)

The Portuguese cabinet reportedly will debate the country's overseas policy today, specifically whether to continue the wars in its African colonies, which its detractors believe Portugal cannot win. (Page 2)

[REDACTED] capability to oversee the movement of shipping into the Persian Gulf and apparently assures Oman of further Iranian military help in fighting the Aden-backed rebel movement. (Page 3)

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The ruler of Bahrain now says he favors retention of the US Navy's Middle East Force base on the island, and that a cabinet decision could come in about a week. (Page 4)

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FRANCE-USSR

There is no evidence to suggest that Pompidou's visit to the USSR this week will be other than routine, but the French President has strong personal and political reasons for portraying the trip as a success.

The mere fact of the trip--like the mini-shuffle of the cabinet ten days ago--is probably intended to support the image of a Pompidou still in charge in France. Although long in the mill, the trip was finally scheduled only a few weeks ago; the repeated delays had fostered some of the rumors about the President's health.

The President's talks will--he hopes--also serve the Gaullists, who are increasingly worried about Mitterrand's Socialist-Communist alliance as a real challenge when the presidential elections occur. Friendly talks with Brezhnev will offset some of the growing Communist criticism that Pompidou's government has been drifting away from the "special relationship" with Moscow that De Gaulle had built. The talks will also offset Mitterrand's coming trip to Moscow.

Apart from these domestic political considerations, Pompidou may see intrinsic merit in trying to refurbish the "special relationship" at this time. There have been numerous indications that Paris has felt that Moscow has not satisfactorily adhered to the consultative mechanisms set up under past agreements. The French would also see some revitalizing of their ties with Moscow as a proper riposte to the recent sharp criticism from Washington.

To breathe new life into the Moscow relationship, the French are known to have communicated to the Russians in January their desire for improved consultative mechanisms. The French might feel this could be accomplished with some kind of protocol to the 1970 agreement that could be concluded during Pompidou's visit.

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PORTUGAL

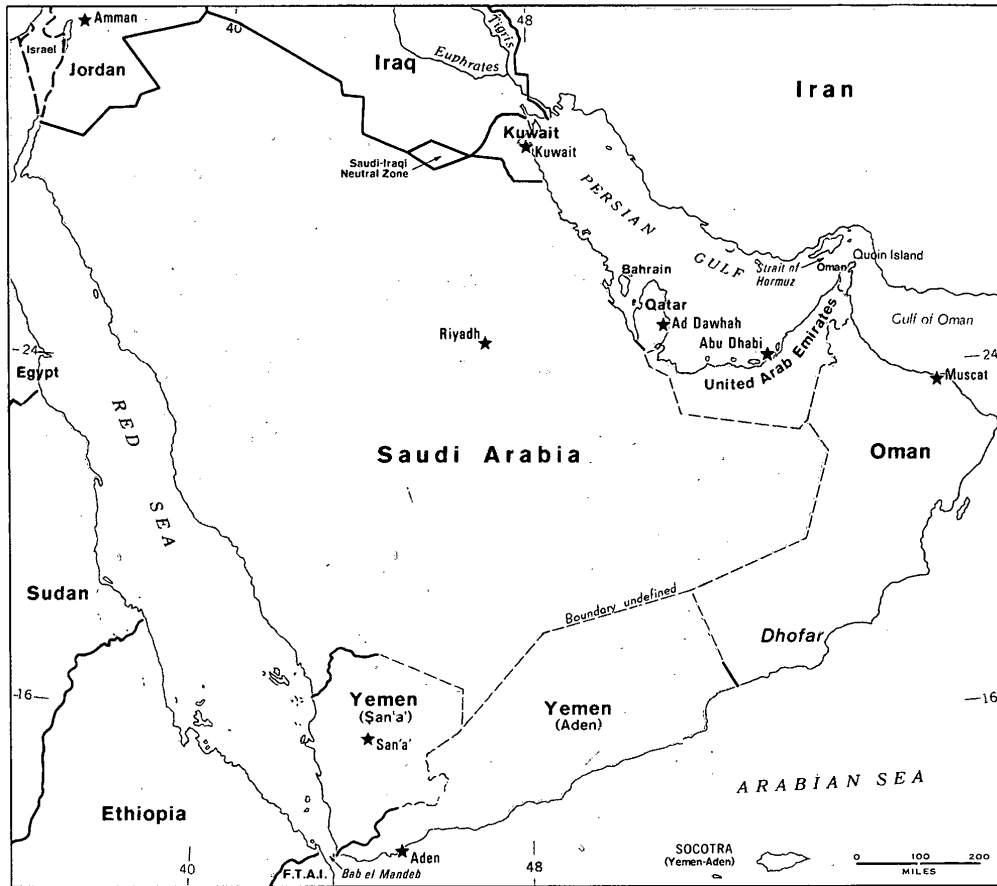
Prime Minister Caetano may be forced to clarify his position in the dispute over the country's overseas policy. At a meeting today, the cabinet reportedly will debate whether to maintain the status quo or continue the wars in its African colonies, which its detractors believe Portugal cannot win.

Caetano has been trying to appease both sides in the controversy, but compromise no longer seems to work. A cabinet reshuffle and changes in military commands may be necessary to resolve the dispute at top civil and military levels.

Armed forces chief of staff Costa Gomes and his deputy, General Spínola, have not been exiled to island posts as earlier reported. It now appears that some dissenting junior officers have been transferred to the Azores or the island of Madeira.

Spínola, who has been a leading advocate of greater autonomy for the overseas territories, argues that Portugal's current policy isolates it from the rest of the world, is too expensive, and is not working. The officer corps, particularly junior officers who are tired of repeated African tours, support Spínola's argument. Reformist circles and pragmatists who are concerned over the large expenditures required to implement government policy are also backing him.

Meanwhile, the armed forces reportedly were placed on alert on March 9 because of "internal disciplinary problems," and all troops, according to this account, are confined to barracks.



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IRAN-OMAN

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that the Sultan of Oman privately agreed, during his official visit to Tehran last week, to allow the Shah to station in Oman whatever forces he considers necessary. In addition, Iran was assured of access to airfields and port facilities within Oman.

The implications of this private agreement go far beyond the public assurances, contained in a final communiqué, that both countries will cooperate to preserve stability and security in the region and protect freedom of navigation in the Strait of Hormuz.

The Shah has interpreted the private arrangement as giving Iran the flexibility to oversee the movement of tankers not only in the strait, but also in the Gulf of Oman, the Arabian Sea, and on toward the Bab el Mandeb, which was blocked during the October war. He noted that the waterway would become important to Iranian commerce after the Suez Canal reopens.

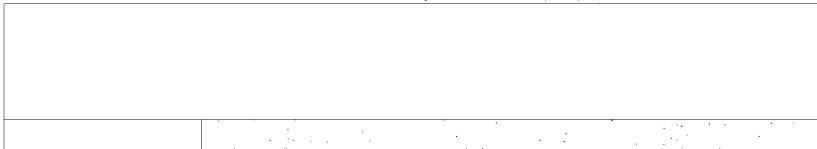
The Sultan, on his side, sees the agreement as giving him virtually unlimited access to Iranian military help in fighting the rebel movement that is backed by the government in Aden. The Sultan is wary of putting too much reliance on Iranian help, in part because he might thereby irritate King Faysal, who has long been suspicious that the Shah hopes to dominate the lower Persian Gulf.

Although the Sultan normally has been careful to keep other Gulf states, especially Saudi Arabia, informed of his dealings with the Shah, it is unlikely that the new private understanding was fully cleared beforehand with King Faysal. According to the Shah, the Sultan did receive the go-ahead from Egyptian President Sadat to conclude whatever was necessary for Oman.

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BAHRAIN-US

The ruler of Bahrain now says that he favors retention of the US Navy's Middle East Force base on the island. Last October the government served notice that the agreement would be terminated in one year. The matter will shortly be reconsidered by the cabinet. The ruler spoke of a decision in about a week, although it may be delayed until the termination of the Arab oil embargo.

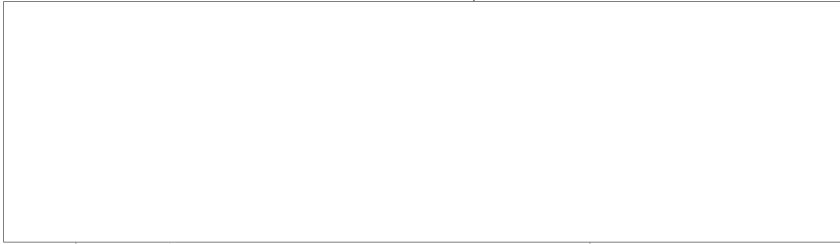


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